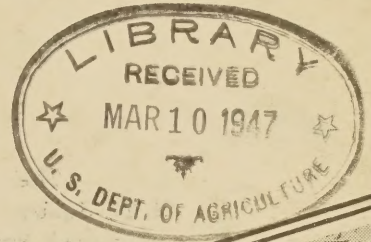


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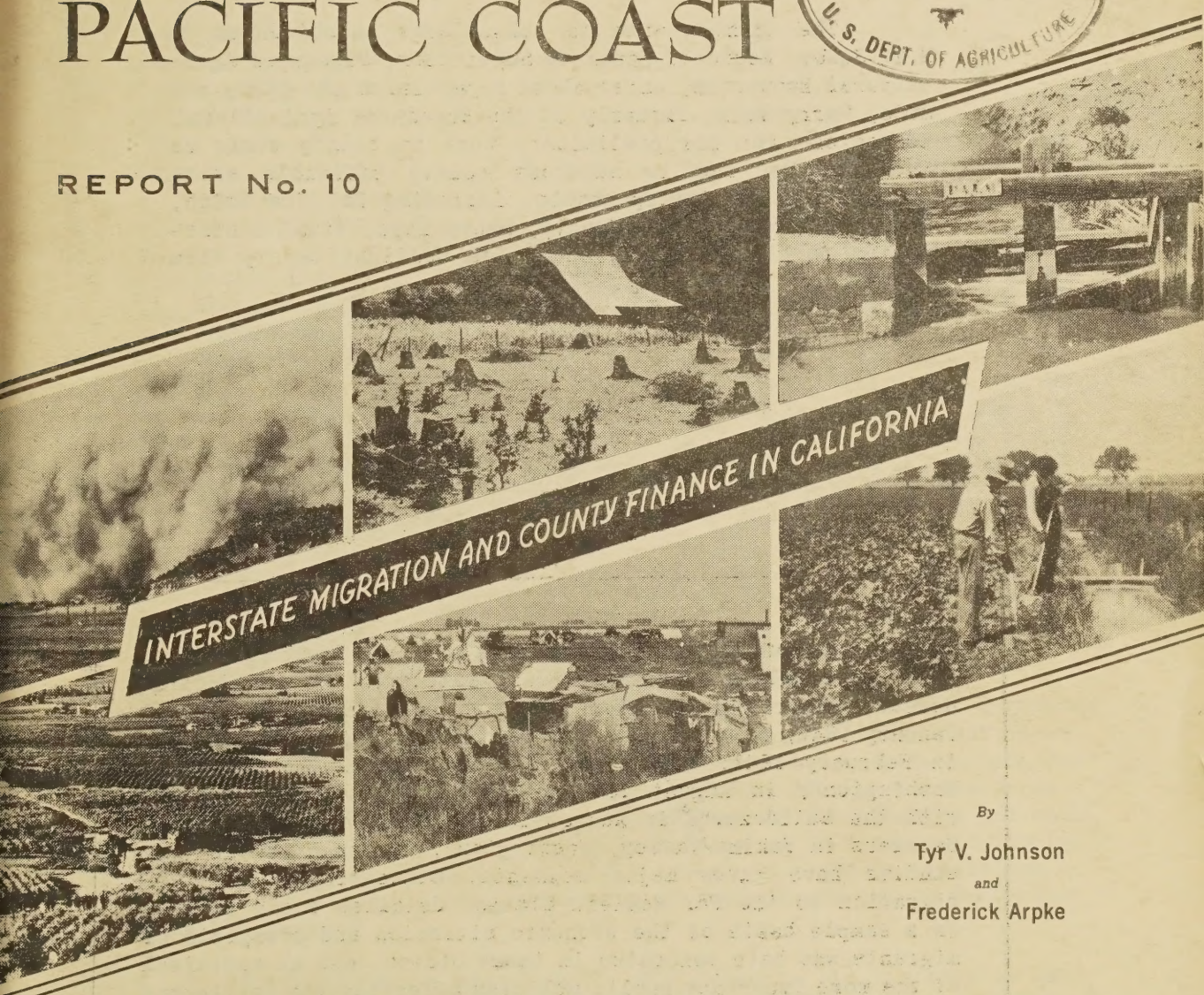
Migration *and* Settlement

ON THE

PACIFIC COAST



REPORT No. 10



INTERSTATE MIGRATION AND COUNTY FINANCE IN CALIFORNIA

By

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and

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UNITED STATES DEPARTMENT OF AGRICULTURE

BUREAU OF AGRICULTURAL ECONOMICS

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This publication is one of 12 proposed reports dealing with the problems of migration and settlement on the Pacific Coast. Report No. 4, "New Farms on New Land", was issued January 1941; report No. 5, "Cut-Over Land of Northern Idaho", in February 1941; report No. 6, "Cut-Over Land in Western Washington", in August 1941; report No. 7, "Land Clearing with the Bulldozer", in August 1941; and report No. 8, "New Settlers in Yakima Valley, Washington", in August 1941. The studies have three major segments: State-wide surveys of migration to the Far Western States, detailed field surveys on a sample basis of the economic situation and prospects of migrants who have relocated in these States, and an appraisal of the more important public policies affecting the settlement of the migrant group.

INTERSTATE MIGRATION AND COUNTY FINANCE IN CALIFORNIA

By Tyr V. Johnson, Assistant Agricultural Economist,
and Frederick Arpke, Associate Agricultural Economist

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HIGHLIGHTS

Total disbursements of county governments in California increased approximately 30 percent from 1930 to 1940, varying between individual categories from 13 percent for Health and Sanitation to 300 percent for Charities and Corrections. (A decrease of 22 percent in Public Works was due to a transfer of a large share of highway construction and maintenance to the State.) This over-all increase of 30 percent in county disbursements was accompanied by a 21-percent increase in population. In the decade 1920-30, population rose 65 percent and county disbursements 198 percent.

Growth of public expenditures is related to the increase in the number of people served and the type and quality of services extended. Migration to California has contributed to this growth by increasing the numbers served. It is virtually impossible, however, to measure the effect which interstate migration has had on local policy with regard to quality of service. Counties differ greatly in this respect. An examination of one county alone or all taken together offers no adequate basis for generalization. The detailed examination of the experience of Kern and Yuba Counties emphasizes this point.

It is estimated that in Kern County interstate migrants since 1930 numbered 46,410, or 34 percent of the 1940 population of 135,124, and that these people were responsible for public services costing \$3,335,486, or 28 percent of the total 1940 expenditure of \$12,079,061.

In Yuba County, interstate migration since 1930 accounted for 25 percent of the total 1940 population of 17,034, or 4,210 persons, and was responsible for public services costing \$257,513, or 21 percent of a total expenditure in 1940 of \$1,244,036. Property taxes did not increase in proportion to increases in disbursements due primarily to the growth in State and Federal subventions. In the State as a whole, property taxes collected by the counties actually decreased 6 percent, whereas subventions increased 251 percent.

In Kern County, property taxes increased \$3,029,088 between 1930 and 1940, and it is estimated that interstate migration was responsible for \$1,629,577 of this rise. In Yuba County, property taxes were actually \$17,849 less in 1940 than in 1930.

State and Federal subventions have served effectively to cushion the impact of migration on the local finance structure of both counties. These subventions have also made possible the maintenance of a higher quality of service than would otherwise have prevailed. The 1940 average tax rate in Kern County, though slightly higher than that of 1930, was probably no more burdensome than the slightly decreased 1940 average tax rate in Yuba County.

Although county disbursements were higher because of interstate migration, it appears that in general the increase ascribed to the migrants is no more than the increase in expenditures ordinarily accompanying population growth.

Interstate migration, the chief source of population increase, has clearly contributed to the rise in business activity in both counties. This has increased the total capacity to pay taxes. Assessed valuations have not completely reflected this increase in business activity.

Large expenditures for welfare activities and unemployment relief cannot, from the individual county standpoint, be looked upon as a serious hardship in view of the fact that these functions are generously financed by State and Federal subventions.

The most acute as well as the most apparent financial difficulties brought about by a large influx of people are those that arise in school districts where the growth in enrollment frequently bears no relation to the growth in assessed values. This, however, is an indictment of the district system of school financing rather than a cause for alarm at the rate of growth.

INTRODUCTION

The investigation of migration and its relation to county government finance is a part of a broad study of migration and resettlement problems in the Pacific Coast States. The study was initiated by the Bureau of Agricultural Economics in 1939. Other phases deal with such matters as sources and magnitude of migration, adjustments made by migrants in settling, employment opportunities, and income obtained.

In this report of one phase of the study, attention is focused on the impact of a large population increase through migration on the disbursements and revenues of California counties in general, with particular emphasis on the experience of two valley counties - Kern and Yuba (fig. 1).

The major impetus for a more detailed investigation of county finances can be traced to the widespread belief, held by local citizens, officials, and business organizations, that recent increases in local government expenditures and property-tax levies were attributable largely to the necessity of extending public services to migrants. The obvious inference is that some justification exists for distinguishing between a migrant and a resident with regard to the provision of public services. However questionable this distinction, the great influx of Dust Bowl migrants has raised a serious problem of the capacity of local government to take care of their obvious needs. Knowing the degree of dependence of local government on the property tax, many persons have felt that immigration resulted principally in a painful and unjustifiable increase in local property taxes.

Interest in this general problem has been greatly accentuated in recent months by the new so-called "defense" migration. Although exhibiting certain differences, the same fundamental problem of impact on local government facilities and fiscal capacity is presented in both cases.

The legitimate concern of the older residents in a community when faced with a sudden demand for an expansion of public facilities is readily understood. Because of shortcomings in existing procedures for financing local government, such a situation presents many possibilities for inequitable distribution of the increased tax load attendant upon expansion. It is important, however, to avoid two common errors - overlooking the more favorable aspects of the new situation, and refusing to go beyond a convenient scapegoat in the search for basic causes.

The fact that a number of independent elements have all had an influence in creating the present fiscal situation complicates a clear presentation of the problem. Some of these elements can be said to function independently of population growth; others are more closely related. The size and composition of the population increase in the two counties of Kern and Yuba are examined in the section of this report dealing with population growth.

An understanding of the migration of the 1930's requires a recognition of the fact that it took place during a period of economic stress. That the migrants to California were in search of better economic opportunities was not unusual, for such searching has almost always taken place. However, in the migration of the 1930's, in contrast to that of the 1920's, the difficult economic conditions in the State of origin had relatively greater influence. A more desperate search for employment was forced upon large numbers of people by the nearly complete disappearance of such opportunity in the place of origin. This difference in the economic environment within which the migration of the two decades took place helps to explain other differences, such as the cordiality with which migrants were received, the rate of assimilation, the effect on public costs, and the effect on local capacity and willingness to finance expanded services.

The present heavy migration to areas of defense industries is probably more comparable to the movement that took place during the 1920's. Both are characterized by excellent employment opportunities in urban centers. The analogy might be carried a step further by indicating the possibility that the post-war period may be characterized by a decline in the normal flow of population to the industrial centers and the return of many thousands to rural counties.

In any of these situations, regardless of the motivation for migration or the characteristics of the migrants, the problem of providing local governmental services is always present and must be met in some way.

The fact that a large and growing proportion of funds disbursed by counties is being raised from State-wide sources is significant with regard to the fiscal capacity of county government. The more important legislative changes affecting the size and direction of county disbursements and the shift in source of funds is discussed later.

Another factor, which defies separate treatment in any one section but which calls for consideration throughout the discussion, is designated, for lack of a better term, local policy. Whether a community increases expenditures for public services in response to population growth often hinges on the degree to which it is willing to discharge certain recognized social responsibilities rather than on local fiscal capacity. There appears to be no fixed relationship between fiscal capacity and actual performance. The degree to which capacity is used undoubtedly differs greatly from county to county in view of which an ex post analysis of disbursements alone is misleading. Because of the important influence exercised by local policy, it is necessary to approach the problem on an individual county basis. The two counties selected for study, Kern and Yuba, experienced large population increases between 1930 and 1940. In other respects they offer an interesting contrast which serves to throw into sharp relief the similarities and differences in the impact on county finances in California of large population increases resulting from migration.

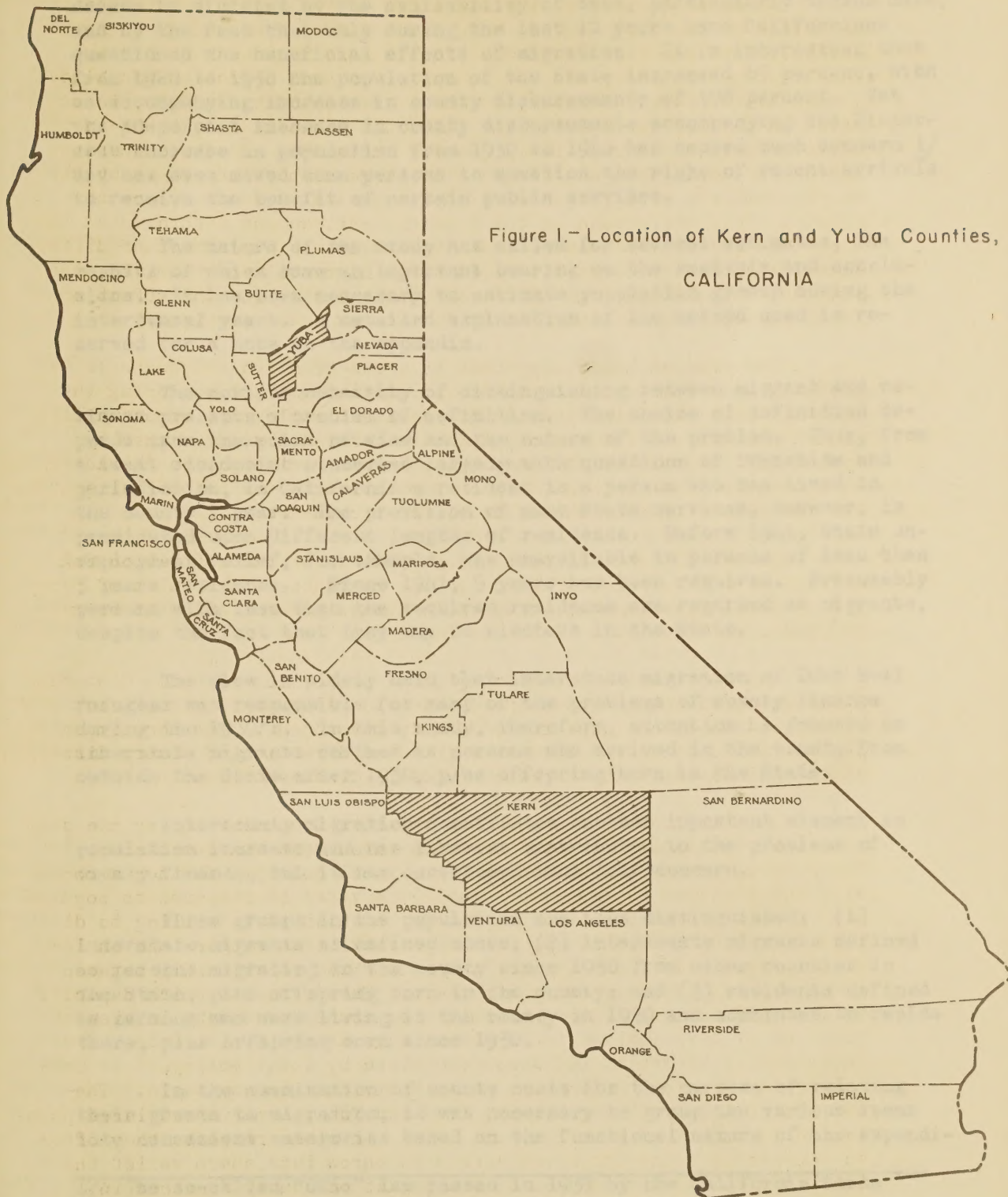


Figure 1.— Location of Kern and Yuba Counties,
CALIFORNIA

The period examined is the decade 1930-40. The selection of this decade is dictated by the availability of data, particularly census data, and by the fact that only during the last 10 years have Californians questioned the beneficial effects of migration. It is interesting that from 1920 to 1930 the population of the State increased 65 percent, with an accompanying increase in county disbursements of 198 percent. Yet the 30-percent increase in county disbursements accompanying the 21-percent increase in population from 1930 to 1940 has caused much concern ^{1/} and has even moved some persons to question the right of recent arrivals to receive the benefit of certain public services.

The nature of the study has called for several estimates, the results of which have an important bearing on the analysis and conclusions. It has been necessary to estimate population growth during the intercensal years. A detailed explanation of the method used is reserved for a note in the appendix.

The obvious necessity of distinguishing between migrant and resident presents a problem of definition. The choice of definition depends upon the point of view and the nature of the problem. Thus, from a legal standpoint concerned largely with questions of franchise and jurisdiction, in California a resident is a person who has lived in the county 1 year. The provision of many State services, however, is predicated upon different lengths of residence. Before 1941, State unemployment relief, for example, was unavailable to persons of less than 3 years residence. Since 1941, 5 years has been required. Presumably persons with less than the required residence are regarded as migrants, despite the fact that they may be electors in the State.

The view is widely held that interstate migration of Dust Bowl refugees was responsible for many of the problems of county finance during the 1930's. In this study, therefore, attention is focused on interstate migrants defined as persons who arrived in the county from outside the State after 1930, plus offspring born in the State.

Intercounty migration constitutes another important element in population increase and has likewise contributed to the problems of county finance, but it has occasioned much less concern.

Three groups in the population are thus distinguished: (1) interstate migrants as defined above; (2) intercounty migrants defined as persons migrating to the county since 1930 from other counties in the State, plus offspring born in the county; and (3) residents defined as persons who were living in the county in 1930 and continued to reside there, plus offspring born since 1930.

In the examination of county costs for the purpose of relating their growth to migration, it was necessary to group the various items into convenient categories based on the functional nature of the expendi-

^{1/} The so-called "Okie" law passed in 1937 by the California State Legislature making it a misdemeanor to bring or assist in bringing into the State any indigent person who is not a resident of the State is a reflection of this attitude. This law was declared unconstitutional by the United States Supreme Court on November 24, 1941. The decision affects similar regulations in some 27 other States.

tures rather than accepted budget classifications. Only by so doing was it possible to observe the important internal shifts that have taken place in the relative emphasis on various functions and to relate these changes to interstate migration.

An additional reason for such a breakdown is the fact that State and Federal subventions are not extended to local governments as such but are regarded as aids to particular functions. These aids are so important that they must be taken into consideration in any examination of the fiscal capacity of county government.

In the examination of separate categories an attempt was made to determine, insofar as possible, the actual use made by interstate migrants of the various services. Monetary values were then assigned on the basis of derived per unit costs.

Per unit costs are composed of two elements - fixed or overhead costs and variable or added costs. If, during any period under consideration, migration has reached such proportions as to require expansion in the capacity of existing facilities, thereby calling for an increase in overhead costs, it obviously must bear some responsibility for this increase. If, on the other hand, migration necessitates no expansion in facilities, it can hardly be said to be responsible in a causal sense for the overhead cost which presumably would have remained at about the same level with or without interstate migration.

The degree of detail required to distinguish between fixed and variable costs for each individual item of expenditure and the relating of changes in these costs to growth in a particular segment of the population is beyond the scope of this study. The method chosen represents a compromise between a meticulous distinction between variable and fixed costs for each individual item on the one hand and complete disregard on the other. It involves the division of the main functional categories of expenditure into two groups based on the importance of overhead costs in each category.

In the case of Education, Health and Sanitation, and Charities and Corrections, the variable costs are of primary importance. An extension of these services to a growing population invariably requires simultaneous additions to cost. In contrast to these are the categories of General Government, Public Works, Protection to Persons and Property, and Miscellaneous, in which overhead costs are predominant. Without changing the quality, these services can usually be spread over a considerably larger population before it is necessary to add to total costs. When such additions are found to be necessary in order to maintain the same quality of service for a larger population, the assignment of responsibility to the added population would seem to be clear. The question of the distribution of the original overhead costs is not so clear.

From a strictly technical standpoint the responsibility of the added persons served should extend only to the amount of the added costs. This situation is roughly approximated in the case of the first group of categories. A strict application of this method of imputation in the case of the predominantly overhead functions is not possible. For this reason, the overhead costs are distributed on a simple per capita basis.

It is admittedly impossible to assign an exact dollar value to that share of the increase in county disbursements which can be specifically traced to interstate migration. On the other hand, there is a real need for avoiding vague generalities and purely subjective description in connection with such a problem. The approximations that follow are made at the risk of presenting quantitative material that might be used without the necessary qualifications, but with the hope that they will facilitate more careful analysis of a perplexing problem.

POPULATION GROWTH

Population change has two major aspects, the most easily understood of which is change in numbers. No less important but less easily comprehended is the change in the age and sex composition of a population. This change, as well as the change in numbers, has an important bearing on the size and character of governmental expenditures. A county, State, or nation which passes from a situation in which there is a low ratio of dependents (children and old people) to the working population to one in which there is a higher ratio, will find a shift in the type and extent of the total disbursements which it is called upon to make.

There have been marked changes in the size and composition of the populations of Kern and Yuba Counties, as shown in table 1. Kern County increased in number in every decade; while Yuba County declined from 1860 to 1900 and then increased gradually to 1930, with a marked increase between 1930 and 1940. The astonishing increase of 129 percent in Kern County between 1900 and 1910 accompanied an oil boom. Times were good and the major concern of the community, as evidenced by contemporary files of local newspapers, was the shortage of housing and the social disorder resulting from the large population increase. As most of the immigrants to the county were men in the economically productive age groups and as employment opportunities were excellent, the problems of education, unemployment relief, and old-age security were relatively unimportant. In contrast, the migration to Kern County during the 1930's, occurring during a period of restricted economic opportunity and including many children, increased the total demand for schooling and sharpened the existing problem of unemployment relief. Although the relative increase in population during the 1930's was only half as great as during the first decade of the century, the impact on the county was much greater because of the changed circumstances under which in-migration and population increase occurred and because of the large numbers involved.

In Yuba County, too, the impact of population increase during the 1930's tended to intensify problems of education and unemployment relief. As will be discussed in greater detail later, the manner in which the two counties met these problems differed considerably, indicating that population increase as such has had no uniform or invariable effect.

Table 1.- Population, aggregate and by sex, Kern and Yuba Counties, Calif., for the census years 1850 to 1940 ^{1/}

Item	Census year									
	1940	1930	1920	1910	1900	1890	1880	1870	1860	1850
	Kern County									
Population	135,124	82,570	54,843	37,715	16,480	9,308	5,601	2,925	-	-
Male	71,275	44,525	31,633	25,413	10,504	6,469	3,707	2,000	-	-
Female	63,849	38,045	23,210	12,302	5,906	3,339	1,894	925	-	-
Males per 100 females	112	117	136	206	178	194	196	216	-	-
Percent change in population:	64	51	45	129	68	75	91	-	-	-
	Yuba County									
Population	17,034	11,331	10,375	10,042	8,620	9,636	11,284	10,851	13,668	9,673
Male	9,496	6,564	6,192	6,433	5,054	5,810	7,374	7,364	10,073	9,452
Female	7,538	4,767	4,183	3,609	3,566	3,826	3,910	3,487	3,595	221
Males per 100 females	126	138	148	178	142	152	188	211	280	4,277
Percent change in population:	50	9	3	16	-11	-15	4	-21	41	-

^{1/} U. S. Bureau of the Census.

The increase in numbers which occurred in California and in Yuba and Kern Counties during the 1930's was a result both of net natural increase and net in-migration.

Kern and Yuba Counties not only received population between 1930 and 1940 from other counties within the State and from other States in the Nation, but also contributed population to other areas. The population count of the census in 1940 represents the net difference between (1) any out-migration of the population which was resident in 1930, (2) the excess of births over deaths in the county, and (3) the in-migration of persons from other California counties and from other States.

The specific techniques, methods, and assumptions used in arriving at the estimates of interstate migration, intercounty migration, and resident population in the two counties, are discussed in detail in an appendix note. The results are given in table 2.

Table 2.- Place of origin of 1940 population, Kern and Yuba Counties, California

County:	popula- tion	Migrants since 1930 in 1940				Residents in 1940	
		: population, plus offspring since arrival		: Residents in 1940 who were resident in 1930, plus off- spring since 1930			
		From out of the State	From other coun- ties in State	Percent: of 1940:	Percent: of 1940:	Percent: of 1940	Percent: of 1940
		Number : popula- tion :	Number : popula- tion :	Number : popula- tion :	Number : popula- tion :	Number : popula- tion :	Number : popula- tion :
Kern	:135,124	46,410	34	17,834	13	70,880	52
Yuba	: 17,034	4,210	25	<u>1/</u>	<u>1/</u>	<u>1/</u>	<u>1/</u>
<u>1/</u> No data available.							

In Kern County population increased 52,554 between 1930 and 1940. The number of persons in 1940 who had entered the State after 1930, plus children born since arrival, was 46,410 or 88 percent of the increase. In Yuba County the increase was 5,703. In-migration of persons from other States accounted for 4,210, or 74 percent of the absolute increase.

SHIFTS IN COUNTY DISBURSEMENTS AND THE SOURCE OF FUNDS IN CALIFORNIA

The effect of a sudden increase in population on local public finance, particularly with regard to local capacity to meet the situation, depends to a considerable extent on the existing pattern of inter-governmental financial responsibility for the various functions of local government. No recent development in the field of government is of greater importance than the rapid growth of State and Federal grants-in-aid to local government. In California this development has been

particularly significant. The chief motive has been the desire to relieve the tax burden on common property which a broad expansion of governmental services made particularly onerous. Although positive efforts have been made to retain local administrative control, there is little doubt that much has been lost to the agency granting the aid. Basically, therefore, this trend represents a shift in responsibility even though funds are still channelled through county offices.

As a result of this situation it would be a mistake to draw any conclusions relative to the financial difficulties encountered by local government simply by comparing population increase with growth in total county disbursements, for the disbursements now include large amounts of funds raised on a State-wide basis.

Some of the more significant characteristics of the fiscal activities of California counties during the last 10 years are the following:

- (1) An increase in over-all county disbursements of 30.5 percent, or from \$359,457,868 in 1930 to \$469,168,299 in 1940.
- (2) An increase in expenditures on a county-by-county basis of only slightly more than the proportionate increase in population.
- (3) An increase in all major categories that was less than the proportional increase in population, with the exception of Protection to Persons and Property, and of Charities and Corrections, where large disbursements under the Social Security program greatly increased county disbursements. A decrease of 22 percent in Public Works reflects the transfer of a large share of road construction and maintenance to the State. (See table 3.)
- (4) An actual decrease in the amount of property taxes raised by the counties themselves and a tremendous increase in subventions or grants-in-aid.

It is generally accepted that the magnitude of governmental expenditures bears a close relationship to population numbers. A county with a large population will naturally spend more money than one with a small population, although the relationship between the two is seldom directly proportional. The larger counties on the other hand, with their more complete utilization of service facilities, will generally operate at lower costs per capita. In a study of California county expenditures made in 1934, Dr. J. K. Galbraith found that for the 3-year period of 1929-30 to 1931-32 expenditures per capita varied considerably with the population of the county. Using seven arbitrary classifications he found the following variations: 2/

2/ Galbraith, J. K., California County Expenditures, Cal. Agr. Expt. Sta. Bull. 582, Univ. of Cal., Berkeley, August 1934, p. 36.

<u>Counties</u>	<u>Expenditure per capita</u>
6 with pop. of 0 to 5,000	\$77.85
8 with pop. of 5,000 to 10,000	59.95
10 with pop. of 10,000 to 20,000	64.27
10 with pop. of 20,000 to 40,000	55.70
12 with pop. of 40,000 to 80,000	55.21
8 with pop. of over 80,000	53.78
3 metropolitan counties	51.78

Table 3.- County disbursements in California, 1929-30 and 1939-40

Category	: Expenditure :		: Change
	: 1929-30	: 1939-40	
	: <u>Dollars</u>	: <u>Dollars</u>	: <u>Percent</u>
Charities and Corrections:	25,080,001	100,327,222	300
General Government	17,194,490	20,592,909	19
Education	136,354,794	162,428,324	19
Protection to Persons			
and Property	14,296,532	20,454,765	43
Health and Sanitation	5,290,947	5,922,074	13
Public Works	26,458,393	20,614,447	-22

This would seem to indicate that, within limits determined largely by the capacity of existing facilities, county governments can serve an increasing population at lower costs per capita. On the other hand, the historical trend of costs per capita has invariably been up. In California the experience has been as follows:

County Disbursements per Capita

1912	\$25.19
1920	35.21
1930	63.31
1940	67.92

During this same period, California's population rose from 2,377,549 in 1910 to 6,907,387 in 1940. This upward surge in costs per capita, in spite of the recognized tendency of increased population density to lower them, indicates that governmental costs are rising chiefly because the public is demanding more and more services and not alone because the same services are being extended to an expanding population.

The 30-percent increase in county disbursements from 1930 to 1940 represents only a 7.2-percent increase in costs per capita from \$63.31 to \$67.92. However, this examination of the collective experience of all counties tends to overemphasize the significance of certain

large counties. A much more accurate picture is obtained by plotting the individual experience of all counties.

Figure 2 shows the percentage increase in disbursements by county governments between the fiscal year 1929-30 and the fiscal year 1939-40 plotted against the percentage increase in population between 1930 and 1940 for 56 counties in the State. The straight line extending from the lower left corner to the upper right corner represents the average relationship for all the counties. The less populous mountain counties show particularly striking increases in disbursements owing to the incidence of the old-age security program. These counties tend to have proportionately more old people than other counties and the disbursements for old-age security are a larger part of their total county disbursements. The slope of the line shows that, on the average, for every 1-percent increase in population there was an increase of 1.025 percent in disbursements during the period. The fact that the line of average relationship crosses the Y axis above the zero point indicates that with no increase in population, county disbursements in 1940 would have tended to be greater than in 1930, primarily because of the increases in services rendered through county governments. It is of considerable importance to keep this fact in mind with respect to the influence of migration on local government costs.

A dramatic increase in county expenditures for Charities and Corrections, so entirely out of line with the roughly proportionate rise in other categories (table 3), is the most unusual feature of recent fiscal experience. This increase is unique for several reasons. In the first place, most of the increase is accounted for by the growth in disbursements for old-age pensions which, because of long residence requirements, have little if any relationship to recent interstate migration. In the second place, about two-thirds of the \$75,000,000 increase in Charities and Corrections is accounted for by State and Federal subventions so that the increased burden on local taxpayers is greatly exaggerated by citing only the 300-percent increase.

Another transfer of responsibility, of a slightly different nature, explains the remaining exception to the otherwise rather uniform tendency for total costs to increase in proportion to population increase. The Public Works item includes expenditures for roads and highways. During the last 10 years much of the responsibility for this activity has been shifted to the State, administratively as well as financially. This explains the 22-percent decrease in county disbursements for this item in 1940.

In a very real sense the growth of subventions represents a transfer of responsibility to the State while perpetuating the myth of complete local autonomy. The shift in the case of highways, however, has been positive and clear-cut. The State has assumed that function and the financial transactions involved no longer appear as county disbursements. Both of these developments result in a decreased emphasis on real property taxes levied directly on local property, and yet

Figure 2.— Relation between relative growth in population and total county disbursements 1930-1940, California counties

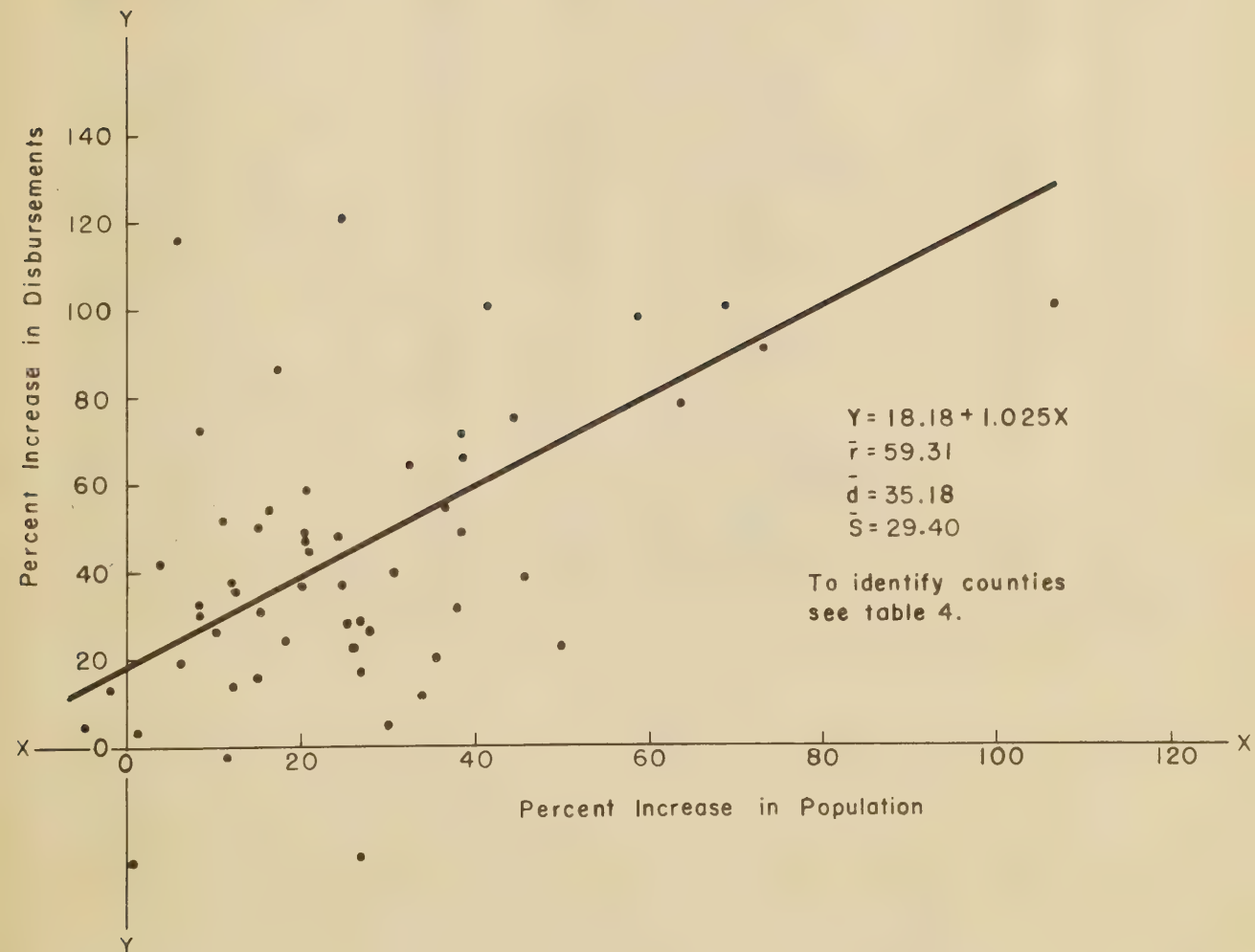


Table 4.- Percentage increase in total county disbursements, 1929-30 to 1939-40, and percentage increase in population, 1939-40, 56 California counties

Num- ber	County	Percent increase		Num- ber	County	Percent increase	
		Disburse- ments	Popu- lation			Disburse- ments	Popu- lation
		1929-30	1930- 1940			1929-30	1930- 1940
		Percent	Percent			Percent	Percent
01	:Sierra	: 121.1	24.9	29	:Napa	: 37.7	20.0
02	:Amador	: 116.3	5.6	30	:Sacramento	: 37.8	24.5
03	:Shasta	: 101.8	106.8	31	:Siskiyou	: 36.6	12.2
04	:Trinity	: 99.2	58.9	32	:Alameda	: 33.2	8.0
05	:Mono	: 100.8	41.3	33	:San Diego	: 31.8	38.0
06	:El Dorado	: 100.6	69.0	34	:Lassen	: 31.1	15.0
07	:Mariposa	: 91.5	73.4	35	:Santa Barbara	: 29.5	8.3
08	:Tuolumne	: 86.9	17.4	36	:Ventura	: 29.4	26.8
09	:Kern	: 79.2	63.6	37	:Butte	: 27.6	27.8
10	:San Mateo	: 75.9	44.4	38	:Contra Costa	: 28.1	25.7
11	:Modoc	: 73.4	8.4	39	:Merced	: 27.3	27.9
12	:Kings	: 71.6	38.5	40	:Orange	: 26.5	10.2
13	:Madera	: 66.5	35.8	41	:Mendocino	: 23.8	18.5
14	:Stanislaus	: 64.3	32.2	42	:Los Angeles	: 22.6	26.1
15	:Santa Cruz	: 59.4	20.4	43	:Yuba	: 22.9	50.3
16	:Calaveras	: 55.6	36.8	44	:Monterey	: 21.8	36.0
17	:Inyo	: 54.4	16.3	45	:Humboldt	: 20.3	6.0
18	:Sonoma	: 52.3	11.0	46	:Marin	: 17.0	27.0
19	:Placer	: 51.1	14.9	47	:Yolo	: 14.9	15.2
20	:Tulare	: 49.7	38.4	48	:Imperial	: 14.2	-1.9
21	:Solano	: 49.1	20.3	49	:Lake	: 14.4	12.6
22	:San Bernardino	: 48.1	20.3	50	:Alpine	: 11.4	34.0
23	:Fresno	: 48.4	23.7	51	:Colusa	: 4.8	-4.6
24	:Santa Clara	: 44.7	20.6	52	:San Joaquin	: 4.8	30.4
25	:Tehama	: 42.9	3.2	53	:San Benito	: 4.1	0.7
26	:Riverside	: 40.4	30.2	54	:Glenn	: -2.2	11.5
27	:Plumas	: 38.6	45.9	55	:Sutter	: -25.5	27.8
28	:San Luis Obispo	: 37.9	12.3	56	:Del Norte	: -25.9	0.1
:	:	:	:	:	:	:	:

they tend to cancel each other in any statement of the counties' total financial transactions. The shift in the method of financing roads has reduced "county disbursements" because the function in large measure has been transferred to the State; the growth in the social-welfare program, on the other hand, has increased county disbursements, even though it is largely a State-financed program. The latter influence has been greater in absolute terms than the former; but both have had the effect of lessening the burden on property taxes because the State, with its increased responsibilities acquired either as the result of a complete transfer of functions or as a growth in grants to the counties and districts, must depend for financing on State-wide taxes other than the property tax. The shift in the relative emphasis on the two most important sources of county funds well illustrates this significant trend:

	<u>1929-30</u>	<u>1939-40</u>	<u>Percent change</u>
Property taxes	\$216,545,647	\$204,470,644	-6
Subventions	42,091,617	147,768,706	251

Although county disbursements for Education increased only 19.1 percent from 1930 to 1940, it is to this function, along with Charities and Corrections, that we must look for an explanation of the big increase in subventions. In 1929-30 the counties and districts received \$24,251,401 from the State for education; in 1939-40 they received \$73,040,680, an increase of 301 percent. The absolute increase of \$48,789,279 is nearly as impressive as is the proportional; it amounts to only slightly less than the total expenditure by all counties in 1940 for the well-established local functions of General Government, Protection to Persons and Property, and Health and Sanitation. This great shift in financial responsibility came about as a result of the enactment of the Riley-Stewart Amendment of 1933 which was motivated mainly by a desire to lessen the tax burden on general property. The act provided for a system of State education finance, similar to that prevailing in many other States, whereby the State's share is based on the average daily attendance with certain variations between the different school levels. Some equalization of educational opportunity has been one of the results of this legislation. In a more fundamental sense, however, the change represents a shift from an ad valorem property tax to a consumer's tax. In California (as in many other States) it has been made possible by the introduction of a retail sales tax.

Indirect effects of this shift, arising out of the way in which funds are distributed, should not be overlooked. In general, rural counties tend to receive more moneys from the State in subventions for education than are collected in sales taxes within these counties. This should not imply any form of inequity; it simply means that funds based on State-wide sales, raised for the purpose of financing a State-wide system of education, naturally must be collected chiefly in the urban centers where transactions occur in greater volume.

Of greater significance, perhaps, is the fact that the subventions for education, since they rise in close conformity with the growth in population, go a long way toward financing any new costs that might conceivably be associated with migration. Counties that have experienced heavy immigration have also definitely experienced larger subventions. To this it can be answered that these same counties that have experienced heavy immigration have also definitely experienced larger subventions. To this it can be answered that these same counties have also contributed more to the State sales- and income-tax funds. In some cases, notably in connection with the Social Security program involving the functions of extending aid to needy aged, blind, and dependent children, the county must match funds so that any growth in subventions necessitates additional, but seldom equal, contributions by the county.

These recent changes in local-government finance have an important bearing on the question of capacity to finance the additional costs associated with migration. They suggest that:

- (1) It is no longer true that a large addition to population will lead to additional costs for public services which rest exclusively on a local-tax base. On the contrary, most of the costs which are likely to be sensitive to migration are those which are now collected, in part at least, on a State-wide basis.
- (2) An exhaustive analysis of the shifts in burden resulting from a growth in population would call for a detailed study of the shift in incidence of established taxes and the incidence of the newer forms. An artificial classification of individuals based on length of residence would further complicate what would necessarily be an intricate analysis of individual readjustments to the "new" situation.
- (3) The great difficulties involved in such a study and the questionable validity of the distinctions in population suggest the advisability of an approach that would center attention on the relative capacity of the county as a whole to support its share of additional costs incident to population growth.

The contrast between Yuba and Kern Counties in so many respects (with the exception of population increases), including the direction of expenditures, the general economic capacity of the area, and the willingness to make larger and larger outlays for the welfare functions, presents an excellent opportunity to examine these factors that have been so important in determining the response of the county to the problems presented by large in-migration.

MIGRATION AND COUNTY FINANCE IN KERN AND YUBA COUNTIES

Total county disbursements increased in both Kern and Yuba Counties between 1930 and 1940, but disbursements for different services varied greatly in the way they changed. For some services they increased in both total amount and amount per capita; for other services they decreased both in total amount and per capita; and in still others, disbursements per capita shrank but total disbursements increased.

County governments disburse money for an astonishing range of services varying from the education of children and adults to payments of bounties for the destruction of predatory animals. It would be an almost impossible task to follow the course of every individual item of expenditure and for that reason the disbursements for similar services have been grouped together to form categories that are more manageable and more readily understood. This procedure is used by the State Controller in publishing the financial transactions of the municipalities and counties of California. The major groups used in the ensuing discussion follow closely those used by the State Controller with the following exceptions. A combination of expenditures for highways and bridges, lighting districts, parks and recreation, and bond service and redemption, plus expenditures for new construction of county buildings other than school buildings, is grouped for the purpose of this study under the heading Public Works. The group of expenditures collected under Health and Sanitation includes the expenditures for public health and hospital services, whereas in the Controller's reports, the county physician and hospital are included in the groups called Charities and Corrections.

The seven groups of expenditures used and the specific services included in each group are shown in table 5. The order in which the groups of expenditures are discussed is based on the relative importance of overhead and variable costs as discussed on page 7. As each group is taken up its general nature will be discussed and the course of disbursements described. The movement of each group from 1930 to 1940 is pictured in figure 3, which is based on tables 6 and 7.

The most striking increases in disbursements, as was the case for the State as a whole, are for Charities and Corrections and for Health and Sanitation. Equally significant is the fall in the disbursements for Public works. Total disbursements declined in both counties between 1929-30 and 1933-34 and then began a rise to 1939-40. Figure 4 illustrates the proportional expenditures for each county in 1930 and 1940. Education continued as the major expenditure. Public works declined both relatively and absolutely, whereas Health and Sanitation, and particularly Charities and Corrections, increased greatly. General Government and Protection to Persons and Property remained relatively unchanged. The specific changes and the major factors effecting the changes are discussed in the following sections. Attention will be focused on those disbursements which seem to be most directly influenced by interstate migration.

Figure 3 - Percentage change in county disbursements,
Kern and Yuba Counties 1930-40

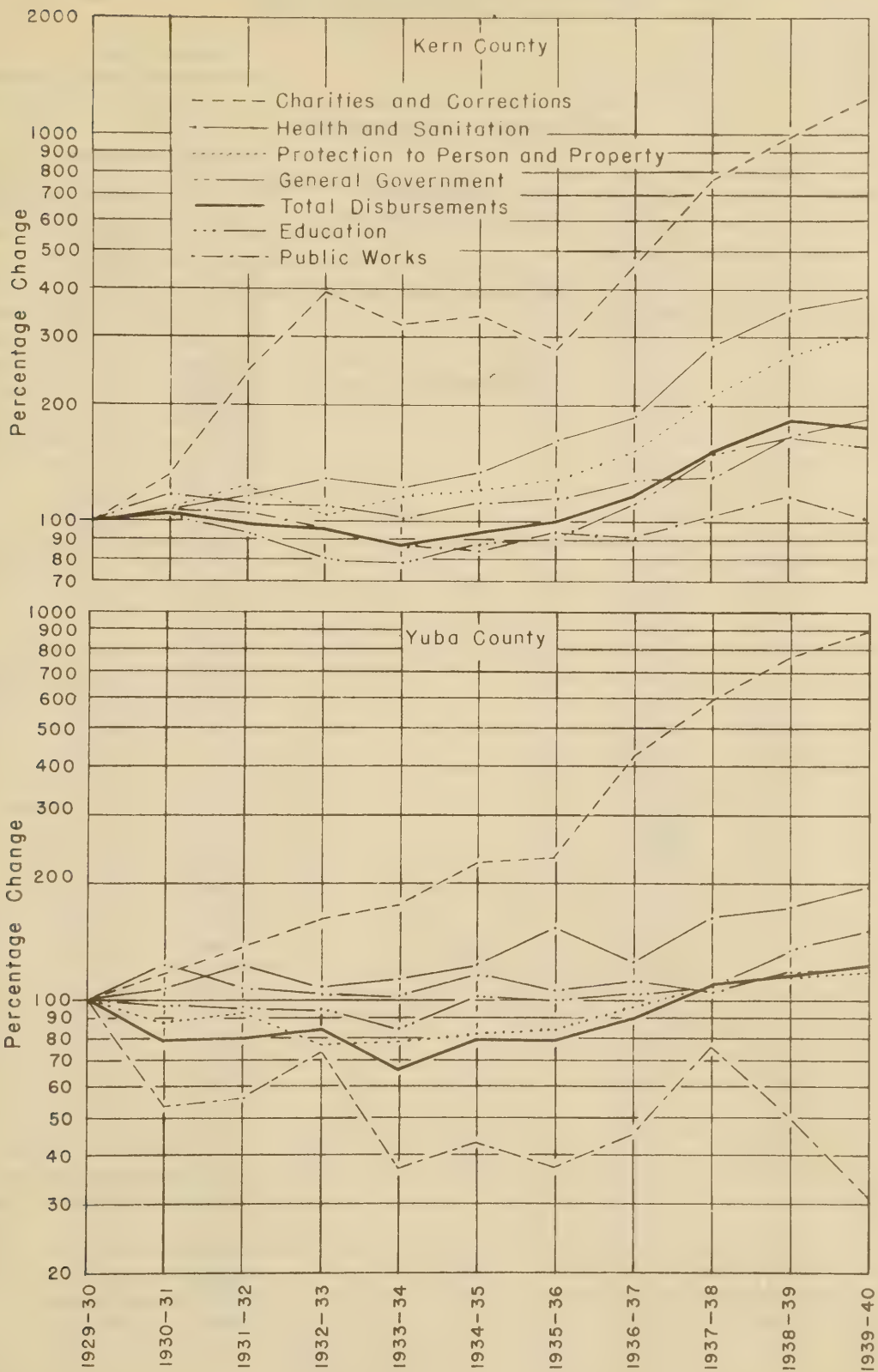


Figure 4 - Percentage distribution of county disbursements,
Kern and Yuba Counties, 1930 and 1940

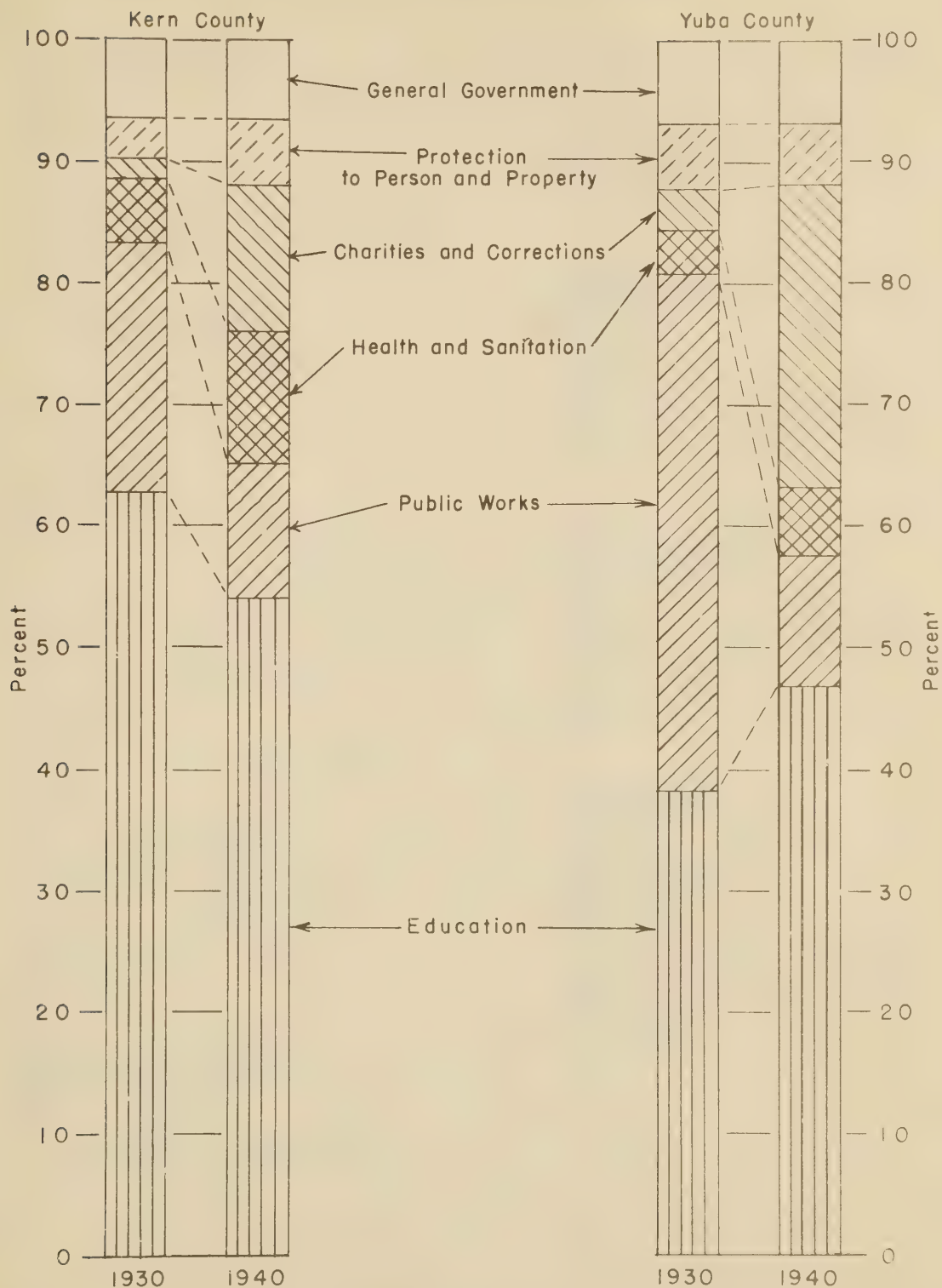


Table 5.- Classification of county disbursements

I. <u>General Government</u>	IV. <u>Education</u>
Board of supervisors	Elementary schools
County clerk	High schools
Auditor	Superintendent of schools
Treasurer	Board of education
Assessor	County library
Tax and license collector	School library
District attorney	
Coroner & public administrator	V. <u>Public Works</u>
Surveyor	Highways & bridges
Planning commission	Recreation
Purchasing agent	Airports
General county garage	Special districts
Election	Bond redemption & interest
Superior courts	(other than school bonds)
Justice courts	Work relief department
Grand jury	
Law library	VI. <u>Charities & Corrections</u>
Courthouse & grounds	Welfare department
Hall of records & grounds	Burial & care of indigents
Miscellaneous buildings & grounds	Inmates of State institutions
II. <u>Protection to Persons and Property</u>	Department of rehabilitation
<u>Sheriff</u>	Probation officer
Bureau of identification	Juvenile home
Sheriff, liquor control	Juvenile forestry camp
Constables	
County jail	VII. <u>Miscellaneous</u>
Industrial road camp & farm	Chamber of commerce
Recorder	Fairgrounds & buildings
Scale of weights & measures	Revolving funds
Fish and game warden	Court deposit fund
Agricultural commissioner &	Other trust funds
extension service	Other special and irregular
Livestock & milk inspector	disbursements
Predatory animal control	Miscellaneous not elsewhere
Fire warden	classified
Insurance	
III. <u>Health and Sanitation</u>	
General hospital	
Health department	
Vital statistics	
T. B. hospital & preventorium	

Table 6.- County disbursements in Kern County, 1929-30 to 1939-40, by major functional categories 1/

		Category of expenditure 2/																				
		Protection :			Health :			Education :			Public Works :			Charities and :			Miscel- :			Total		
		to Persons :			and :			Sanitation :			:			Corrections :			laneous :			:		
Year:	Fis- cal :	In-:	dex:	Amount:	In-:	dex:	Amount:	In-:	dex:	Amount:	In-:	dex:	Amount:	In-:	dex:	Amount:	In-:	dex:	Amount:	In-:	dex:	
		No.:	Dollars:	No.:	Dollars:	No.:	Dollars:	No.:	Dollars:	No.:	Dollars:	No.:	Dollars:	No.:	Dollars:	No.:	Dollars:	No.:	Dollars:	No.:	Dollars:	
1929:		:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
-30:	411,774:	100:	207,570:	100:	335,873:	100:	4,028,651:	100:	1,318,886:	100:	112,907:	100:	326,644:	100:	6,742,305:	100:						
1930:		:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
-31:	484,534:	118:	226,761:	109:	346,615:	103:	4,217,035:	105:	1,419,284:	108:	149,360:	132:	270,736:	83:	7,114,325:	105:						
1931:		:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
-32:	461,001:	112:	255,773:	123:	391,952:	117:	3,752,466:	93:	1,388,152:	105:	276,990:	245:	125,994:	39:	6,652,428:	99:						
1932:		:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
-33:	454,836:	110:	220,801:	106:	436,685:	130:	3,230,209:	80:	1,275,097:	97:	447,418:	396:	396,710:	121:	6,461,756:	96:						
1933:		:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
-34:	423,747:	103:	246,000:	118:	412,124:	123:	3,145,923:	78:	1,143,346:	87:	367,881:	326:	134,854:	41:	5,873,875:	87:						
1934:		:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
-35:	464,592:	113:	252,105:	121:	454,427:	135:	3,540,917:	88:	1,124,862:	85:	384,436:	340:	140,507:	43:	6,361,856:	94:						
1935:		:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
-36:	471,947:	115:	270,743:	130:	550,864:	164:	3,660,722:	91:	1,235,210:	94:	314,089:	278:	228,614:	70:	6,732,189:	100:						
1936:		:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
-37:	529,326:	129:	319,952:	154:	633,772:	189:	4,470,060:	111:	1,211,963:	92:	517,860:	459:	220,102:	67:	7,903,035:	117:						
1937:		:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
-38:	534,058:	130:	439,725:	212:	962,597:	287:	6,079,245:	151:	1,376,784:	104:	867,352:	768:	284,085:	87:	10,543,846:	156:						
1938:		:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
-39:	688,758:	167:	562,019:	271:	1,196,489:	356:	6,780,876:	168:	1,548,705:	117:	1,119,524:	991:	349,706:	107:	12,246,077:	182:						
1939:		:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
-40:	752,535:	183:	642,004:	309:	1,294,377:	385:	6,366,712:	158:	1,318,366:	100:	1,419,863:	1258:	285,204:	87:	12,079,061:	179:						
		:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	

1/ Compiled from annual financial statements of Kern County, Calif.
2/ For component elements see table 5.

Table 7.- County disbursements in Yuba County, 1929-30 to 1939-40, by major functional categories 1/

Fiscal year:	Category of expenditure 2/											
	Protection :			Health :			Education :			Public Works :		
	General	to Persons	and	Government	& Property	Sanitation:						
	In-:	In-:	In-:	In-:	In-:	In-:	In-:	In-:	In-:	In-:	In-:	In-:
	Amount	dex:	Amount	dex:	Amount	dex:	Amount	dex:	Amount	dex:	Amount	dex:
	Dollars:	No.:	Dollars:	No.:	Dollars:	No.:	Dollars:	No.:	Dollars:	No.:	Dollars:	No.:
1929:												
-30:	65,413:100:		50,075:100:	35,462:100:	368,804:100:	408,921:100:	33,288:100:	50,057:100:	1,012,021:100:			
1930:												
-31:	80,320:123:	43,777:	87:	37,971:107:	357,512:	97:	218,149:	53:	38,711:116:	17,897:	36:	794,337:
1931:												
-32:	70,026:107:	46,361:	93:	43,122:122:	351,334:	95:	228,751:	56:	44,990:135:	12,209:	24:	796,793:
1932:												
-33:	67,061:103:	38,590:	77:	39,193:108:	344,846:	94:	299,437:	73:	53,560:161:	10,212:	20:	851,899:
1933:												
-34:	66,470:102:	38,979:	78:	39,655:112:	308,620:	84:	150,620:	37:	57,960:174:	8,952:	18:	671,256:
1934:												
-35:	76,212:117:	41,259:	82:	43,411:122:	375,295:102:	43:	177,080:	43:	74,893:225:	15,453:	31:	803,603:
1935:												
-36:	69,284:106:	42,058:	84:	53,981:152:	369,259:100:	37:	151,996:	37:	77,717:233:	41,617:	83:	805,912:
1936:												
-37:	72,647:111:	48,295:	96:	44,745:126:	383,736:104:	45:	183,187:	45:	140,039:421:	24,004:	48:	896,653:
1937:												
-38:	68,698:105:	53,875:108:	57,905:163:	396,729:108:	310,372:	76:	195,065:586:	18,356:	37:1,101,000:109			
1938:												
-39:	76,801:117:	57,355:115:	60,712:171:	493,508:134:	203,760:	50:	254,178:763:	27,813:	56:1,174,127:116			
1939:												
-40:	80,745:123:	59,289:118:	69,060:195:	558,071:151:	127,636:	31:	296,684:891:	52,551:105:1,244,036:123				

1/ Compiled from annual reports of County of Yuba Auditor.
2/ For component elements see table 5.

General Government

Services included under the heading General Government are of an overhead nature. Many are required by State law, such as the boards of supervisors, the office of the county clerk, the superior and justice courts, elections, and district attorney. The complete list of services is shown in table 5. For most of the services the total costs are nearly constant. Hence large counties tend to have lower costs per capita than small counties, and increases in population usually result in a lowering of costs per capita. On the other hand, such items as elections tend to have constant or increasing costs as population increases.

In Yuba County, while total disbursements for General Government rose between 1930 and 1940, disbursements per capita declined from \$5.77 to \$4.77, following the tendency noted above. In Kern County, both total disbursements and disbursements per capita for General Government rose between 1930 and 1940, the latter moving from \$4.99 to \$5.77. The explanation of the rise in disbursements per capita in Kern County is found in a large expenditure for elections in the fall of 1939 and the addition of some new services under General Government.

Unlike some of the services to be discussed later, the expenses of General Government do not lend themselves to allocation except on an average or proportional basis. On the theory of proportional sharing in the general expenses of running the county government, an estimate is obtained as to the amount of expense that may be imputed to the interstate migrants among the 1940 population. This does not mean, of course, that total disbursements for General Government would have been smaller in 1940 by exactly this amount had there been no interstate migrants in the 1940 population. This is readily demonstrated by examining the experience of Yuba County.

The disbursements for General Government in 1940 in Yuba County were \$80,745, as given in table 7. Interstate migrants are estimated to constitute 25 percent of the 1940 population, as given in table 2. Twenty-five percent of the 1940 disbursements yields an estimate of \$20,186 as the share of 1940 disbursements imputed to interstate migrants. The actual increase in disbursements for General Government between 1930 and 1940 amounts to only \$15,332. The population added by interstate migration, although it tended to increase disbursements for General Government, did not increase them in the same ratio as population was increased. It is for this reason that the proportionate share of the General Government expenditures attributed to migrants in 1940 is greater than the actual increase in total disbursements between 1930 and 1940. It cannot be said, therefore, that the interstate migrants had increased costs of General Government by the amount of their share of the 1940 disbursements, so the \$15,332 actual increase between 1930 and 1940 will be used as an estimate of the amount by which disbursements were increased as a result of migration.

In Kern County, on the other hand, total disbursements for General Government increased \$340,761 between 1930 and 1940, and the share of the 1940 disbursements (34 percent) imputed to interstate migrants amounts to \$255,862. This figure is somewhat less than the increase in total disbursements because part of the increase went to supply additional services to residents and intercounty migrants included in the population in 1940. The estimate, therefore, of the approximate amount by which total disbursements were increased in 1940, owing to the presence of interstate migrants, amounts to \$225,862. Again it must be emphasized that the total disbursements in 1940 for General Government would probably not have been less by this amount in the absence of interstate migration because some of the services supplied would have cost just as much. Therefore, decreasing the population would not correspondingly decrease the expenditures. On the other hand, had the 1940 population been smaller by 46,000, constituting 90,000 instead of 135,000, the total disbursements for General Government in 1940 would certainly have been somewhat smaller than they actually were. This suggests that \$255,862 is a generous approximation of the amount by which disbursements for General Government were increased by the presence of interstate migrants in the 1940 population. As an approximation of the minimum amount by which total disbursements were increased by interstate migration, the 1930 expenditures per capita multiplied by the number of interstate migrants in 1940 yields a figure of \$231,586.

Data are available for Kern County as to the amount of property-tax funds spent for General Government which permit making of estimates concerning the amount of tax moneys required to provide General Government services to interstate migrants in 1940. The difference between disbursements and tax moneys required is made up of the fees, fines, and other nontax revenues received for specific services or levied for particular infractions of the law. Property-tax funds spent for General Government in 1940 were \$281,490 greater than in 1930. Thirty-four percent of the 1940 tax funds spent amounts to \$162,400, and it is estimated that property taxes were increased by this amount to supply General Government services to the interstate migrants among the 1940 population. A similar estimate is not available for Yuba County.

Protection to Persons and Property

Services included under the heading Protection to Persons and Property are enumerated in table 5. Total disbursements for this group of services rose between 1930 and 1940 in both Kern and Yuba Counties. Disbursements per capita declined in Yuba County and rose markedly in Kern County. The major cause of the rise in Kern County was a thirty-fold expansion in disbursements for the fire-warden service. As this service is primarily related to protection of forest lands, it is omitted as irrelevant to the effect of migration on costs.

Employing the method used in the preceding section for estimating the interstate-migrant share of the 1940 disbursements yields a figure of \$14,822 in Yuba County and \$748,106 in Kern County against an actual increase of 1940 disbursements over those of 1930 of \$9,214 and \$434,434, respectively. Employing the same reasoning as used for General Government results in an estimated increase in disbursements for Protection to Persons and Property in Yuba County of \$9,214, and in Kern County of \$148,106, due to interstate migration.

Property-tax funds disbursed for this group of services in Kern County increased \$392,614 between 1930 and 1940. Excluding the tax funds expended for forest protection gives an estimate of \$118,914 as the amount of tax money used to defray the costs of services to interstate migrants among the 1940 population. Similar data are not available for Yuba County.

Public Works

Services included under the heading of Public Works include expenditures for county highways and bridges, parks and recreation, lighting districts, etc. (table 5).

Total disbursements for this group of services declined greatly in Yuba County between 1930 and 1940, whereas in Kern County they were only slightly lower in 1940 than in 1930. Disbursements per capita declined in both counties. As the decline in disbursements in Yuba County and the lack of increase in Kern County took place despite the increases in population, the change that occurred appears to have been independent of population change. The possibility exists that greater declines might have occurred had the population not been augmented by interstate migration, but this possibility is slight, for most of the expenditures in this group are not directly variable with population.

On the basis of a proportional share of the 1940 expenditures, interstate migrants are allocated 25 percent, or \$31,909, in Yuba County, and 34 percent, or \$448,245, in Kern County. On the same basis interstate migrants are allocated 34 percent of the property-tax moneys disbursed for Public Works in Kern County, or \$237,382.

An estimate of any increase in costs resulting from interstate migration, as contrasted with an estimate of a proportionate share of 1940 expenditures, is complicated by the fact that a large share of the functions in this category were transferred to the State during the period under consideration. The resulting decrease in disbursements by the county cannot be credited to interstate migration. By the same token interstate migration cannot be said to have effected any increase.

Miscellaneous

Disbursements included under the heading Miscellaneous are made up of an assortment of trust funds, irregular expenditures, and odds and ends which appear in the counties' books and which are included in the total figures on income and outgo, as shown by the counties' financial statements. They are included here for the sake of completeness and consistency.

Total disbursements for this group of items increased slightly in Yuba County and declined in Kern County, between 1930 and 1940. No significance with regard to interstate migration or population increase can be attached to the changes. On the basis of a proportionate share in the 1940 disbursements, however, interstate migrants are allocated \$13,138 in Yuba County and \$96,969 in Kern County. No significant property-tax moneys are involved.

Health and Sanitation

Services included under the heading Health and Sanitation are functionally much the same. They include preventive and curative medical services, sanitation programs, public-health programs, collection of vital statistics, and operation of tuberculosis sanatoria. They are supported almost exclusively by property-tax funds; subventions from the State and Federal Governments are minor.

The contrast between Kern County and Yuba County with regard to local decision is very evident here. In Kern County expenditures per capita for health and sanitation rose from \$4.07 in 1930 to \$9.58 in 1940. In Yuba County they rose from \$3.13 to \$4.05 during the same period. Kern County has a broad and comprehensive health and sanitation program, while Yuba County has a very limited program. Kern County maintained a higher level of service in 1930 than Yuba County did in 1940, and Kern County more than doubled its expenditures per capita between 1930 and 1940. Interstate migrants were able to benefit by the expanded program in Kern County, whereas no such opportunity was afforded either migrants or residents in Yuba County. It may be concluded, therefore, that migration as such did not cause disbursements per capita to rise in Kern County, but rather that the migrants settling in Kern County were able to take advantage of a fine service made available to all people of that county whatever their origin.

The major element of expenditure in this group of services is that for the county hospital and county physician. For this reason detailed attention has been given to the county-hospital records in both Kern and Yuba Counties. The detailed procedure employed in the analysis of the records will be found in an appendix note; only the conclusions are given here.

In Kern County, both interstate and intercounty migrants were found to be more heavily represented in hospital cases than in the

population. They made more use of the hospital than residents. This is explained by the fact that an unsettled person or family has more occasion to use a hospital in case of illness than does a family or person with a home in which care may be given. On the other hand, residents were making more use of the hospital in 1940 than in 1930. This does not indicate that this group was less healthy in 1940 than in 1930 but rather that when members were ill in 1940 they were more likely to use the hospital facilities than in 1930. In 1930, 2,779 residents used the hospital; in 1940, 4,301. The number of cases per 1,000 population, regardless of length of residence, rose from 35 in 1930 to 77 in 1940, or 120 percent. The proportion of babies born in Kern General Hospital of all babies born in the county rose from 14 percent in 1930 to 44 percent in 1940. These figures demonstrate the marked increase in the service provided the people of Kern County through the General Hospital.

In Yuba County the number of hospital cases per 1,000 of total population rose from 18 to 69 between 1930 and 1940. The average cost per case in Yuba County in 1940 was 40.05, whereas in Kern County the average was \$96.53 per case. ^{3/} The average cost per case roughly approximates the difference in quality of service rendered in Kern County and in Yuba County.

Interstate migrants and their children in 1940 accounted for 40 percent of the cases discharged from the Kern General Hospital; intercounty migrants, 19 percent; and residents, 41 percent. In Yuba County the corresponding percentages were 47 percent, 22 percent, and 31 percent.

Employing the percentage of cases of interstate migrants, intercounty migrants, and residents in Kern County to obtain the 1940 costs allocable to each group, we impute to interstate migration \$517,750 of the disbursements; to intercounty migration, 245,932; and to residents, \$530,694. This assumes that the average cost per case is the same in each group. Thus we may say that if no interstate migrants had entered Kern County after 1930, the disbursements for health and sanitation would have been \$517,750 less in 1940 than they were. On the other hand, if the county had decided not to increase the quality and variety of services rendered for health and sanitation, and had made the same average expenditures per case in 1940 as were made in 1930, interstate migrants to Kern County would have increased disbursements by only \$267,541

These considerations fairly raise the question as to how the factor of expansion of service is to be handled. In kern County a

^{3/} These averages are obtained by dividing the total costs for the hospital and outpatient department by the number of hospital patients discharged. Hence these average costs per case are overstated because outpatient costs are included in the disbursements but not in the number of cases.

25-year hospital plan was established in 1923 which called for continuous expansion. In no year has the hospital met all the needs of the population, although it was more nearly meeting them in 1940 than in 1930. We may say, there, that migration has not caused the expansion, but migrants have enjoyed the benefits of the expansion. The difference between \$267,541 and \$517,750, or \$250,209, approximates the extent to which interstate migrants participated in the expanded service in 1940. Interstate migrants to Yuba County did not have the excellent services available to those in Kern County, even though their medical needs were probably no less. The same was true of residents in both counties.

The actual increase in disbursements between 1930 and 1940 for Health and Sanitation was \$958,804 in Kern County and \$33,598 in Yuba County. The increase imputed to interstate migration is \$517,750 in Kern County and \$32,458 in Yuba County.

In Kern County, \$1,250,391 of property-tax funds was spent for Health and Sanitation in 1940, an increase of \$947,177 over 1930. Of this increase, \$500,156 is imputed to interstate migrants (40 percent of 1940 tax funds disbursed); \$237,537, to intercounty migrants (19 percent of 1940 tax funds disbursed); and \$209,484, to residents (difference between 41 percent of 1940 property-tax funds, or \$512,698, and 1930 property-tax funds disbursed, or \$303,214).

The increase of \$209,484 (69 percent) in property-tax funds disbursed for residents indicates the independent nature of the policy of providing a higher quality and a greater variety of services for health and sanitation. Had the county pursued a policy of limiting its expenditures for health and sanitation to the per capita level of 1930, the disbursements in 1940 would have amounted to \$549,935 instead of the \$1,294,377 actually spent. Because its continually expanding program coincided with a considerable growth in population, total expenditures for Health and Sanitation rose 285 percent. The \$517,750 imputed to interstate migrants in 1940, therefore, represents a very liberal estimate of the additional costs incurred by the county as a result of interstate migration.

Education

Disbursements for Education include capital outlays and debt servicing as well as the operating and maintenance costs of the elementary and high schools, the junior college, the county superintendent of schools, the board of education, the county library, and the school libraries.

These disbursements in Kern County increased between 1930 and 1940 \$2,338,061, while property-tax funds for education increased only \$681,123. In Yuba County, disbursements in the same period increased \$189,267 and property-tax funds for education increased \$2,425. The difference between disbursements and property-tax collections is made up mainly of State subventions for education. Although these subventions come from the general fund, it is recognized that their source is

the State sales and use tax levied on the retail sales of all nonfood items.

As rural counties tend to have more children and fewer money transactions subject to the tax in proportion to population, they tend to receive more money in school subventions than is collected in sales taxes. The larger the proportion of children in school to total population, the less is the cost of support of schools from local property taxes; other things being equal. What a county or school district decides to spend in the way of local property-tax funds, however, greatly influences the effect of these subventions. Thus in 1940, Yuba County disbursed only \$82.96 per pupil out of property taxes, while Kern County spent 70 percent more, or \$142 per pupil. Although in Kern County the average total cost per pupil in the elementary schools was \$151.87 in 1940, the range extended from a low of \$58.87 per pupil for Richland District with the highest proportion of interstate migrant children of any district in the county, to \$329.77 for the Midway District with no interstate migrant children enrolled. This contrast indicates that the children of interstate migrants, as a group, probably are educated at lower costs than are the children of residents. The explanation of this difference lies in the fact that in those school districts which gained children through migration, expenditures did not increase in proportion to enrollment; while in districts which had no migration or which actually experienced declines in enrollment, expenditures failed to move in proportion.

With this brief description of the complex nature of the shifts that have occurred between 1930 and 1940, attention is turned to estimates of the extent to which interstate migration has affected school disbursements and property taxes. The ideal approach to this problem would be to aggregate the added costs of each migrant child, school district by school district, but such detail is beyond the scope of this study. Instead, it will be assumed that the average costs for migrant children are the same as for resident children. In 1940 approximately 7,915 children from interstate migrant families were in average daily attendance in the elementary and high schools in Kern County - 30.2 percent of total average daily attendance in the same schools. On the basis of this proportionate use, interstate migration may be said to have increased educational disbursements by \$1,923,384 in 1940. In Yuba County approximately 791 children of interstate migrant families were in average daily attendance, or 28 percent of the average daily attendance in elementary and high schools. Applying this proportion to disbursements for education in 1940, it may be said that interstate migration accounted for a \$156,260 increase in disbursements.

Increase in enrollment, arising from interstate migration, increased tax levies greatly in some school districts, and in others not at all, depending upon where the migrant families happened to settle. The increase arose principally in response to the need for new buildings, although much assistance was obtained from Public Works Administration

grants for this purpose. Had settlement occurred in such a fashion as to maintain enrollments in schools which actually declined in enrollment between 1930 and 1940, less taxes would have been required for building purposes. As settlement actually occurred, however, some districts gained large enrollments of children from interstate migrant families and found it necessary to expand their school plant. The tax burden imposed on local property in these districts was augmented by the increase in enrollment, but the underlying cause of the burden lies in the inequitable system of taxation. The superintendent of schools in Kern County has the following to say:

"We feel that the first and primary reason for having free, public education is to guarantee the educational rights of every child residing within the boundaries of this great state and we are dedicated to this service in Kern County.

"We recognize that the tax burden for support of schools is unevenly distributed. Districts located in the oil-field areas have an over-abundance of facilities while other districts depending primarily on real estate for support are undersupplied. A county-wide tax base would do much to equalize educational opportunities in Kern County." 4/

Interstate migration has complicated the problem of uneven distribution of tax burden for education, but it did not create the problem and should not be confused with it.

On the basis of proportionate use of educational facilities in 1940 it is estimated that \$1,226,579 in property taxes should be assigned to interstate migration in Kern County and \$75,660 in Yuba County. Actually property taxes for education did not increase this much. If the effect of interstate migration is assumed to be no larger than the actual increase, the figure for Kern County is \$681,123 and for Yuba County, \$2,425.

Charities and Corrections

Under the heading Charities and Corrections are included the disbursements made for what are commonly spoken of as Federal-State categorical aids - aid to needy aged, aid to dependent children, and aid to needy blind. In addition, the disbursements for county indigent aid, for inmates of State penal and mental institutions, for the probation officer, and for other welfare activities are included. Disbursements for unemployment relief are omitted because the county disbursed no money for this purpose in 1930 or 1940.

4/ Hart, Leo B., Financial and Related Data Concerning Kern County Elementary and High School Districts, 1929-1939, "New Year's Report of the County Superintendent of Schools," p. 1, Bakersfield, Calif.

Charities and Corrections disbursements show the greatest relative rise of any group of services provided by the counties in California. At the outset, it can be said that interstate migration has had relatively little influence on this increase. The explanation of the rise is to be found in the acceptance by the government of a responsibility for the support of the needy aged, the needy children, and the needy blind in the community. In 1930 these aids were extended but in a very limited way; by 1940 they had assumed major proportions in the State and county budgets.

To arrive at a reasonably accurate picture of the effect of interstate migration, each of the so-called categorical aids is considered separately.

Disbursements for aid to the needy aged increased \$736,358 in Kern County and \$208,698 in Yuba County from 1930 to 1940. Property-tax funds used for old-age assistance increased \$164,322 in Kern County and \$50,296 in Yuba County. An examination of the case load of June 1940 in Yuba County revealed that of the 523 cases receiving old-age assistance, 45 or 8.6 percent were interstate migrants who had entered since 1930. Applying this percentage to disbursements for aid to the needy aged in Yuba County shows that interstate migration increased disbursements by \$18,080 and increased property taxes by \$4,326. No count of cases was obtained for Kern County, but on the assumption that the proportion of interstate migrants receiving old-age assistance in Kern County was the same as in Yuba County in 1940, the proportion which they bore to the total case load would have been 27.2 percent in Kern County. The difference between 8.6 percent in Yuba County and 27.2 percent in Kern County is explained by the fact that in Yuba County a higher proportion of residents and intercounty migrants were in receipt of aid to the needy aged than was the case in Kern County. Following this line of reasoning it is estimated that interstate migration increased disbursements for aid to needy aged in Kern County by \$201,922 and increased property taxes for this purpose by \$45,511.

Aid to needy children is the next largest categorical aid disbursed by counties. In Kern County there was an increase of \$191,274 and in Yuba County an increase of \$32,506 for this purpose, from 1930 to 1940. Property-tax funds disbursed for aid to needy children increased \$46,448 in Kern County and \$7,135 in Yuba County during the same period. An examination of the case load in Yuba County for June 1940 revealed that 30.6 percent of the case load was made up of children of interstate migrants. Applying this percentage to disbursements indicates that disbursements in Yuba County were increased by \$10,780 and property taxes by \$2,183 over what they might have been had there been no interstate migration. In Kern County, on the basis of the same proportion of interstate migrants receiving aid to needy children as in Yuba County, the proportion of the case load represented by interstate migrants is 58.7 percent. Applying this estimate to the disbursements for aid to dependent children in 1940 results in an estimate of an increase in disbursements of \$126,953 and an increase in property taxes expended for this purpose of \$27,265.

Aid to the needy blind, the smallest aid program in terms of money disbursed, increased in Kern County by \$60,896 and in Yuba County by \$10,944. Property-tax funds disbursed for this purpose rose \$16,024 in Kern County and \$2,613 in Yuba County. No analysis was made of the case load in either county, and for want of evidence the assumption is made that the interstate migrant population is represented on the rolls of aid to the needy blind in the same proportion as they are represented in the total population, 34 percent and 25 percent in Kern and Yuba Counties, respectively. On this basis, interstate migrants accounted for an increase of \$21,921 in disbursements and \$5,668 in property taxes in Kern County, and \$2,921 in disbursements and \$838 in taxes in Yuba County, over what they might have been had there been no interstate migration to these counties between 1930 and 1940.

Bringing together the results of the examination of the three Federal and State-supported categorical aids gives an estimate of the extent to which interstate migration increased disbursements and local property taxes in Kern and Yuba Counties. In Yuba County disbursements were higher by \$31,781 and property taxes by \$7,347 in 1940 because of the aids given to interstate migrants. In Kern County disbursements were \$350,014 higher, and taxes \$78,444 higher as a result of interstate migration.

County indigent aid is extended to needy unemployables who do not qualify for any of the categorical aids. Disbursements for this aid come from property taxes; no subventions from either the State or Federal Governments are received. The disbursements for this type of aid increased by \$162,205 in Kern County and by \$15,912 in Yuba County. As no subventions or other types of income are received, taxes were increased by the same amount. No examination of the rolls was made in either county so, assuming that disbursements were made in proportion to population, there appears to have been an estimated increase of disbursements and taxes of \$63,730 in Kern County and \$7,385 in Yuba County as a result of interstate migration.

Disbursements for corrections between 1930 and 1940 increased \$59,748 in Kern County and declined \$477 in Yuba County. While there is no direct evidence that delinquency among migrant children was greater than among other children, it may have been for migration is likely to involve family disorganization and thus tend to increase the delinquency rate. In the absence of concrete evidence, therefore, it is assumed that the disbursements for corrections were higher by the proportion which interstate migrants bore to total population in 1940, 34 percent in Kern County and 25 percent in Yuba County. This results in an estimated increase in disbursements for corrections of \$26,640 in Kern County and \$2,498 in Yuba County, and an estimated increase in taxes of \$24,810 for this purpose in Kern County.

Combining the estimated increases attributable to interstate migration for the separate items results in the following totals for Charities and Corrections: in Kern County disbursements were increased \$490,384; property taxes, \$166,984. In Yuba County disbursements were increased \$41,664; property taxes, \$17,230.

Summary

In the previous discussion the seven groups of disbursements each were examined in terms of the estimated use of the services made in 1940 by interstate migrants. For four groups - General Government, Protection to Persons and Property, Public Works, and Miscellaneous, where the character of the services is of a general nature and where disbursements are not made to or for individuals, the estimated share allocated to interstate migrants was based on the proportion they bore to total population in 1940. For the three groups of services - Health and Sanitation, Education, and Charities and Corrections - in which use by interstate migrants in 1940 could be more closely estimated, the share of the disbursements allocated to them was based on such estimates.

The distinction between the first four groups and the last three is particularly important with regard to the effect of interstate migration on disbursements. For the first four groups the proportionate share of use by interstate migrants in 1940 does not necessarily represent the actual amount by which 1940 disbursements were increased over what they would have been had there been no interstate migrants among the 1940 population. For the last three, the 1940 use is the approximate actual amount by which disbursements would have been reduced in the absence of interstate migrants, since the disbursements involved - hospital and medical care, education of children, and social-security payments - are more directly assignable to individuals.

In view of the difficulty of ascertaining the effect of interstate migration on the disbursements in the first four groups, in contrast to the measurement of their proportional share, it is assumed that where total disbursements declined between 1930 and 1940, interstate migration did not cause them to decline, nor did it prevent a further decline. Where the increase in total disbursements between 1930 and 1940 was less than the proportionate share of the 1940 disbursements allocated to interstate migrants, it is assumed that the actual increase approximates the amount by which interstate migration increased disbursements. Where the increase in total disbursements between 1930 and 1940 was greater than the proportional share of the 1940 disbursements allocated to interstate migrants, it is assumed that the proportional share of the 1940 disbursements approximates the amount by which disbursements were increased as a result of interstate migrants among the 1940 population.

Table 8 summarizes the changes in disbursements between 1930 and 1940 for the seven groups of services, showing the proportional share of 1940 disbursements allocated to interstate migrants, and the estimated increases in disbursements between 1930 and 1940 which are due to the increase in population between 1930 and 1940 as a result of interstate migration. It should be clear that the method used tends to maximize the effect of interstate migration on county disbursements.

Table 8.- Summary of change in county disbursements and estimated increase due to interstate migration,
Kern and Yuba Counties, 1930-40

Type of disbursement	Kern County				Yuba County			
	Change 1930-40	Interstate migrants'	Estimated increase due to interstate migration 1930-40	Estimated increase due to interstate migration 1930-40	Change 1930-40	Interstate migrants'	Estimated increase due to interstate migration 1930-40	Estimated increase due to interstate migration 1930-40
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
General Government	340,761	255,862	255,862		15,332	20,186	15,332	
Protection to Persons and Property	434,434	148,106	148,106		9,214	14,822	9,214	
Public Works	-520	448,245	0		-281,285	31,909	0	
Health and Sanitation	958,504	517,750	517,750		33,598	32,458	32,458	
Education	2,338,061	1,923,384	1,923,384		189,267	156,371	156,371	
Charities and Corrections	1,306,956	490,384	490,384		263,396	41,644	41,644	
Miscellaneous	-41,440	96,969	0		2,494	13,138	2,494	
Total	5,336,756	3,880,700	3,335,486		232,016	310,528	257,513	

A similar summarization of changes in property taxes disbursed for the seven groups of services for Kern County is given in table 9.

Table 9.- Summary of change in property taxes disbursed and estimated increase due to interstate migration, 1930-40, Kern County, California

Type of disbursement	Change 1930-40	Interstate migrants' proportional share of 1940 tax disbursements	Estimated increase due to interstate migration 1930-40
	Dollars	Dollars	Dollars
General Government	281,490	162,400	162,400
Protection to Persons and Property	392,614	118,914	118,914
Public Works	-330,677	237,782	0
Health and Sanitation	947,177	500,156	500,156
Education	681,123	1,226,579	681,123
Charities and Corrections	532,074	166,984	166,984
Miscellaneous	0	0	0
Total	2,503,801	2,412,815	1,629,577

MIGRATION AND ECONOMIC ACTIVITY IN KERN AND YUBA COUNTIES

The increase in county disbursements imputed to interstate migration in Kern and Yuba Counties and the increase in property taxes required to finance the disbursements in Kern County have been considered at some length. Attention is now directed to a consideration of some of the benefits which interstate migration may be said to have brought with it, with emphasis on Kern County because of the availability of a larger body of information from which to draw conclusions.

In the following discussion no attempt is made to determine whether or not the revenue systems of these two counties did or did not comply with any particular taxation ideal, such as the ability-to-pay theory. Strictly speaking, such a standard has relevance only in terms of the experience and capacity of individuals. To evaluate recent changes in the revenue system on the basis of such criteria would involve an examination of the effect of all of the many revenue changes that have taken place since 1930 on individual taxpayers, grouped for convenience and by necessity with respect to their relative ability to contribute.

As pointed out in the introduction, we are not in a position to examine all of these recent shifts in the individual incidence of taxes, nor need we be particularly concerned. Of more importance is an

examination of the changes that have taken place in the economic capacity of the county as a whole. This does not mean that the increased property taxes in Kern County or the introduction of consumer taxes by the State are assumed to have been distributed equitably between taxpayers. They undoubtedly were not. But this situation is not new and certainly cannot be said to have stemmed from the migration of the 1930's. A better distribution of the tax burden was needed in 1930 as well as in 1940. The same inequities are likely to continue so long as the property tax is relied upon for purposes to which it is not adapted and so long as the search for a substitute is limited to consumption taxes. It is impossible to measure the degree to which migration accentuated these inequities. On the other hand, the effect of population increase on the economy of the area within which redistribution of the tax burden takes place is more measurable and pertinent.

Clearly, migration and population increase are not completely or invariably undesirable, though they may be accompanied by difficult problems of individual and community adjustment. There is considerable evidence to indicate that definite economic benefits accrue to areas to which migration brings population increase. Many instances in American experience, and that of California and the West in particular, point to the fact that simple population increase has been the strategic factor and the motivating force behind rapid economic development.

Certain economic indices available for Kern County and for the State as a whole present an interesting picture of recent economic development in this county (table 10). None of the individual indices is in any way conclusive, but taken together they offer strong support to the hypothesis that, to a considerable extent, population increase was an important factor in the development of the county.

To hold that population increase per se was exclusively responsible for all the increase in economic activity would be as invalid as to hold that it was responsible for all the increase in county disbursements. Other important forces were at work. It is equally inaccurate, however, to maintain that the same or greater increase in economic activity would have occurred had there been no increase in population as a result of interstate migration.

Interstate migration to California during the 1930's consisted principally of persons seeking employment, eager to contribute their labor to the development of resources. Employment opportunities in both Kern and Yuba Counties are predominantly agricultural. Harvested cropland in Kern County increased 57 percent between 1929 and 1939, and cash farm income increased 48 percent. The increased acreage in labor-demanding crops increased the total labor demands and the labor expenses of the operators. From the operators' standpoint wages are an expense, so that although gross income increased 48 percent, net income may not have increased so rapidly because money wages paid out took a larger part of the gross in 1940 than in 1930. On the other hand, wages are income to the agricultural laborers to be spent for

Table 10.- Selected indices of relative changes in economic conditions,
Kern County and the State of California

Item	Unit	Area	Total amounts			Amount per capita		
			Beginning date or year	End date or year	Percent change	Beginning	End	Percent change
Population 1/	Number	State Kern	April 1, 1930 5,677,281	April 1, 1940 6,907,387	21.7	-	-	-
			82,570	135,124	63.6	-	-	-
			1929	1939				
Net retail sales 2/	Dollars	State	3,142,643,000	3,187,809,000	1.0	553.55	461.50	-17.0
		Kern	38,490,000	58,972,000	53.0	466.14	436.43	-6.0
			1930	1940				
Annual bank debits 3/	Dollars	State 4/ Kern 5/	32 Billion 160 Million	28 Billion 233 Million	-13.0 46.0	5,636 1,938	4,054 1,724	-28.0 -11.0
			1930	1940				
Cash farm income 6/	Dollars	State 7/ Kern 8/	583,924,000 21,724,000	650,410,000 32,317,084	11.0 49.0	103 263	94 239	-9.0 -9.0
			1929	1939				
Cropland planted 9/	Acres	State 10/ Kern 11/	6,843,453 181,140	6,843,017 284,088	0.0 57.0	1.205 2.196	.991 2.102	-18.0 -4.0
			1930	1938				
Federal income tax returns filed 12/	Number	State Kern	307,261 2,774	535,228 7,416	74.0 167.0	.054 .034	.077 .055	43.0 62.0
Net income reported for State income tax purposes 13/	Dollars	State Kern	1,171,254,663 14,089,258	1,794,541,711 25,032,463	53.0 78.0	3,141 14/ 2,846 14/	3,141 14/ 2,899 14/	0.0 2.0

food, clothing, rent, etc., and these expenditures provide business and income for the grocer, clothier, and landlord.

Both Kern and Yuba Counties are characterized by a type of agriculture in which seasonal labor demands are marked by sharp peaks. Before 1930, these peak demands were met principally by itinerant migratory workers who came to do harvest work and left after the harvest. In 1940 this migration continued to take place but on a much diminished scale. A larger share of the agricultural-labor demand in Kern County, and to a somewhat lesser extent in Yuba County, was met in 1940 by labor resident in the county.

This development is of great significance. In 1930, because the harvest laborers tended to move on when employment diminished, the county was not obliged to provide for the education of the children of migratory workers. In a like manner, other costs were avoided or were shifted to the counties of southern California where migratory families, mostly Mexican, maintained residence. By 1940, because much of the agricultural labor supply had settled down in the county, it was necessary to provide school facilities for the children and to dispense relief to the unemployed who, unable to earn sufficient income during the season, could not be left to starve the rest of the year.

From one viewpoint, much of the agriculture pursued in both Kern and Yuba Counties may be said to be operating under subsidy, insofar as it requires assistance in maintaining the labor supply necessary for its continuance. From this standpoint, the conclusion is inescapable that the relief disbursements to the unemployed agricultural workers in Kern and Yuba Counties are indirect subsidies to agricultural employers, inasmuch as the funds are not raised by property taxation, much less by taxation on agricultural land alone. Moreover, as the relief of unemployment is a State and Federal function, a county with a high relief load, such as Kern and Yuba Counties, actually receives an economic subsidy in the form of the purchasing power put in the hands of the unemployed.

In 1940 the Federal Government spent more than \$1,500,000 and the State spent nearly the same amount for unemployment relief in Kern County, a total of more than \$3,000,000. In addition, State subventions for education of interstate migrants' children amounted to \$610,000 in 1940. To the extent that this money was spent for rent, food, clothing, etc., landlords and retailers in Kern County benefited from this flow of payments.

These considerations lead to the conclusion that the larger relief disbursements made to interstate migrants in Kern and Yuba Counties, rather than constituting a burden on these counties, represented, from the individual county standpoint, actual benefits. The increase in total employment in agriculture and in income going to agricultural employees from whatever source, between 1930 and 1940, is reflected in the growth of retail sales in Kern County reported in the decennial

census. For the whole State of California, the dollar volume of net retail sales was 1 percent higher in 1939 than in 1929. For Kern County it was 53 percent higher. 5/ As a result of the increased population and the less-than-proportionate increase in dollar value of retail sales, the retail sales per capita in the State as a whole was 17 percent lower in 1939 than in 1929. In Kern County, the 1939 figure was only 6 percent lower. The increased agricultural-wage employment is not responsible for the entire increase in volume of retail sales; it merely contributed to it.

There are other evidences of an increased capacity to pay taxes in 1940 as compared with 1930 (table 10). In addition to a differential increase in net retail sales, cash farm income, and cropland harvested in Kern County as compared with the State, other economic series indicate differential advances. In 15 principal cities in California for which information is available, annual bank debits declined 13 percent between 1930 and 1940, whereas bank debits in Bakersfield, the trade center of Kern County, rose 46 percent. The number of Federal income tax returns filed increased 74 percent for the State and 167 percent for Kern County, between 1930 and 1938. Net income reported for State income-tax purposes increased 53 percent for the State and 78 percent for Kern County, between 1935 and 1939. Passenger-car registration increased 28 percent and 47 percent, respectively, between 1930 and 1940, and the number of residence telephone connections increased 35 percent for the State and 98 percent for Kern County between June 30, 1929 and January 1, 1940.

The changes per capita show a differential in favor of Kern County as compared with the State for all the indices except passenger-car registration. In those instances in which per capita figures fell between the earlier and the later date, they fell less in Kern County than in the State; where they advanced, they advanced more.

None of the indices provides in and of itself the suggestion, nor do all the indices taken together suggest, that population increase after 1930 was the sole cause of the striking differential advance in economic activity in Kern County compared with that of the State. They do certainly disprove any contention that population increase resulting from net in-migration seriously inhibited economic development in Kern County. They also point strongly to an increased capacity in the county to pay more taxes in support of local government, whatever the reason for the increase.

An examination of recent experience in assessed value of property in the two counties under consideration is revealing, both because of the light that is thrown on the direction and volume of the economic activity of the area and because of its value as an index of capacity to finance increased public services. The need for caution in the use

5/ The raw figures on dollar volume should be adjusted to changes in the value of the dollar, if an adequate adjusting device were available.

of assessment data is well known, and is repeated here; nevertheless, such data are useful.

The tax base of assessed values subject to local taxation in Kern County increased 52 percent between 1930 and 1940, somewhat less than population increase, whereas in Yuba County assessed valuations subject to local taxation increased only 14 percent. Part of the increase in both counties is due to the addition of public utility property valuations to county tax rolls in 1935. However, improved economic conditions and increased demand for land and buildings resulting from population growth due to migration also contributed to the rise in assessed valuations. However, it is impossible to ascertain whether taxes raised from levies against such increased valuations were sufficient to offset the increase in demands for property-tax-supported services extended to interstate migrants. There is reason for believing that, for areas large enough to include the urban trading centers as well as the agricultural hinterland, the growth in property values would bear a reasonably close relation to the expansion in public services.

However close this relation might be in larger areas, it breaks down completely when applied to the fragmentary and arbitrarily defined school districts upon which responsibility rests for financing the one function most sensitive to population growth - education. This situation may be illustrated by the hypothetical case of two school districts, A and B. District A experiences a large increase in enrollment requiring the erection of new buildings, and an increase in the tax rate to raise funds for this purpose, without a corresponding increase in assessed valuations. District B has a large increase in assessed valuations arising from an expansion of intensive agriculture or the introduction of a processing industry which relies heavily on the available labor power of the residents in District A. The lands of District A have to bear a disproportionate share of the social costs incident to maintaining the labor supply upon which the economic activity of District B is dependent. From the narrow viewpoint of the property owner in District A, the population increase constitutes an uncompensated burden; whereas from the viewpoint of the property owner in District B, it is a fortunate circumstance.

This unsatisfactory situation cannot be attributed to migration. It is, rather, a commentary on the inappropriate nature of arbitrary and meaningless school-district boundaries for taxation purposes, a situation which is within the province of local action to correct.

Tax collections and amount of services extended to residents and migrants alike were higher in Kern County than in Yuba County in both 1930 and 1940, primarily because of the fortunate circumstance that Kern County boundaries enclose extensive oil-bearing lands, the development and exploitation of which made possible relatively larger tax revenues for county disbursements than were available in Yuba County. A clear demonstration of this condition is found in table 11.

Table 11.- Assessed valuations subject to local rates, average tax rates and taxes collected, Kern and Yuba Counties, 1930-40

Item	County	1930	1940	Percent change
		Dollars	Dollars	Percent
Assessed valuations	Kern	173,005,775	262,285,060	52
	Yuba	17,112,685	19,578,950	14
Assessed valuations per capita	Kern	2,095	1,941	-7
	Yuba	1,510	1,149	-24
Average tax rate	Kern	2.95	3.10	5
	Yuba	3.37	2.86	-15
Tax collected	Kern	5,106,630	8,135,718	59
	Yuba	576,216	560,127	-3
Tax collected per capita	Kern	61.84	60.21	-3
	Yuba	50.85	32.88	-35

Assessed valuation per capita in Kern County was 39 percent higher than in Yuba County in 1930 and 69 percent higher in 1940. The average tax rate increased in Kern County 5 percent, whereas in Yuba County it fell 15 percent. Property taxes collected in Kern County increased 59 percent and in Yuba County they fell 3 percent.

It would be a mistake to infer that the higher tax collections per capita in Kern County necessarily meant a heavier tax burden on the people of Kern County than on the people of Yuba County. It would be an equal mistake to infer, from the higher assessed values per capita in Kern County, that there was necessarily any better distribution of wealth represented by these values than prevailed in Yuba County. As much of the taxable wealth of Kern County is held by oil corporations and other absentee owners interested in speculative gains, and as the discovery of oil under the surface of any property is so purely a matter of fortune, it is necessary to use great caution in speaking of the tax burden on the "people" of Kern County. The fact of the matter is that Kern County has, in the form of its petroleum wealth, a large tangible resource to tax which Yuba County lacks. Much of the explanation for the 59-percent increase in property taxes in Kern County can be traced to the relative ease with which taxes could be raised to finance a liberal policy in the matter of extending and improving services.

The experience of two counties adjacent to Kern County in the San Joaquin Valley is of interest here. Kings County, a small county

with a population of 35,000 in 1940, like Kern County, contains a rich oil field - the Kettleman Hills. Tulare County, a large county lying east of Kings County and North of Kern County with a population of 107,152, has no developed oil fields. The agriculture of the three counties is very similar.

Kings County had an assessed valuation per capita in 1940 of \$2,642, more than three times as great as Tulare County's \$839. This fact, more than any other, explains why disbursements per capita in Kings County for the county hospital in 1940, to cite one example, were \$4.27 and in Tulare County only \$1.42. Tulare County spent only slightly more for this service than did Kings County, although its population was more than three times as great.

The average tax rate for Kern County advanced from \$2.95 to \$3.10 per hundred dollars of assessed valuation (table 11). This figure is arrived at by dividing the taxes collected, both current and delinquent, as reported in the county's annual financial statement, by the total county assessed valuations subject to local tax rates. The change in the average tax rate from year to year is frequently used as a rough index of changes in tax burden. However, property-tax collections in a given year may exceed or fall short of actual disbursements of property-tax moneys, resulting in the accumulation or depletion of fund balances. In Kern County, property-tax collections were \$8,135,718 in 1940. Expenditures from this source, as nearly as can be determined, were \$7,663,624. Employing this latter figure, an indication is given that an average tax rate of \$2.92 would have been sufficient to finance the actual expenditures, assuming 100 percent collection of current taxes and no collection of delinquent taxes. The same figure for 1930 would have been \$2.98.

This indicates that a lower tax rate would have been required in 1940 to finance the actual expenditures on the greatly expanded program of county-supported services than was required in 1930. The increase in tax yield at the lower rate was made possible by the increase in assessed valuations, which in itself is an indication of improved economic circumstances and ability to support public services.

There is no basis for the presumption that these valuations would have been the same in the absence of interstate migration; on the other hand, there is evidence that migration has very definitely improved property values by contributing to the acceleration of economic activity. This contribution has been made chiefly by furnishing a labor supply for the expanding industries of the county and by stimulating new economic activities of all kinds, and, indirectly, by bringing to Kern County a larger share of public funds which are collected without reference to county lines and shared on a basis of need or per capita.

APPENDIX

Method of Deriving Population Estimates

The population of Kern and Yuba Counties is known as of April 1, 1930 and April 1, 1940. In both counties it increased during the period. How did it increase year by year? To answer this question it is necessary, since no actual counts are taken, to obtain a series of data extending over the period which has some close relation to population. Such a series is found in the average daily attendance in the elementary and high schools of the two counties. School children are part of the population; hence there is a relationship between school children and total population. Annual average daily attendance reflects number of children in a reasonably adequate manner, although frequency of attendance introduces a variable factor which is difficult to measure precisely. For example, in any one year an epidemic of influenza may result in closing some or all the schools in a county, and thus reduce attendance without reducing in any significant degree the number of children in the population. On the other hand, over a 10-year period, custom and school law may result in extending the period during which children are in attendance in school, and may thus increase the number of days of attendance without any increase in the number of children in the population. There may be also an actual decline in the proportion of children in school to total population, but this factor can be measured since the ratio of average daily attendance to total population can be computed for the years 1930 and 1940.

In both Kern and Yuba Counties average daily attendance increased between 1930 and 1940. In Kern County, population increased more rapidly than enrollment, with the result that there were fewer children per hundred population in 1940 than in 1930, whereas in Yuba County the opposite was true. As no independent evidence is available by which to estimate the change in the ratio from year to year, it is assumed that the change occurred gradually, and was equally distributed each year between 1930 and 1940.

The average daily attendance figures are given on a school-year basis running from September to June and, in order to put them on a calendar-year basis, it is necessary to take a 2-year moving average of the annual figures. This has the further advantage of allocating increases or decreases in enrollment in the fall of the year to the year in which they occur. If the average daily attendance figures for September 1935 to June 1936 are taken to represent the figure for 1936, and there was a large increase in enrollment in 1935, its effect would be attributed to the year 1936, whereas if the 1934-35 and 1935-36 figures are averaged, the increase is allocated to 1935 when it actually occurred.

Tables 12 and 13 give the intercensal estimates of population for Kern and Yuba Counties and their derivation from the average daily attendance data. The estimates first obtained are for April 1. From these are obtained January 1 estimates, and from the January 1 estimates the average yearly population is derived. The average yearly figure is required because for any one year which shows a large increase, the January 1 and December 31 figures may be considerably different, and a figure is needed for yearly comparison which reflects the increase and at the same time is somehow characteristic of the whole year. In Kern County, accurate birth and death statistics are available for the period 1930-40, inclusive, and further refinement is possible by isolating natural increase as a factor. Similar data are not available for Yuba County.

The data for Kern County are shown in table 12. From the estimated annual increase in population, the increase due to excess of births over deaths is subtracted to obtain the estimate of the number of in-migrants each year on the assumption of no out-migration of the resident population. The natural increase is then divided between the estimated resident population and the estimated migrant population in proportion to their share of the total estimated population. This is not entirely satisfactory as it tends to overstate the share in natural increase of the resident population and to understate the share of the in-migrants because of the assumption of uniform birth and death rates, for it is probable that more of the deaths occur among the resident population, and more of the births among the in-migrants, but the distortion introduced by this assumption is not large enough to cause concern.

To get an estimate of the number of persons in the 1940 population who had come to the county from outside the State since 1930, use is made of a survey of interstate migration conducted in 1939 through the schools, by the Bureau of Agricultural Economics. This survey found approximately 41,850 persons in Kern County in April 1939 who had entered the State since 1930. By April 1940, when the census was taken, their number was approximately 46,410, or 34.34 percent of the April 1, 1940 population. This figure is strikingly close to the "Average migrant" figure in table 12. It is so only by coincidence, however, and merely means that migration to Kern County from other counties in the State offset the migration from Kern County to other counties. It does not mean that no out-migration occurred.

Subtracting the number of interstate migrants from the 1940 population leaves the number of residents and intercounty migrants in 1940. This figure reaches 88,714.

An approximate figure of the number of residents in 1940 can be obtained through the device of projecting the elementary and high-school enrollment which would have obtained in 1940, if only children born in the county had entered the first grade and proceeded through school. To do this, the first grade each year is augmented by the number of

Table 12.- Intercensal population estimates, Kern County, 1930-40, inclusive

Average Ratio of:		Estimated:		Increase:		Excess:		Net:		Net migrant:		Average:	
daily		population:		popula-		of births:		in-mi-		cumulative		numbers:	
Year: attend-		to popu-		tion as of		population:		during:		over		gration:	
ance		1/		Jan. 1		4/		5/		6/		7/	
Number		Number		Number		Number		Number		Number		Number	
1930:		16,837		20.39		82,570		82,825		2,150		707	
1931:		17,096		20.29		84,253		84,445		1,090		495	
1932:		17,173		20.19		85,056		85,895		1,810		503	
1933:		17,578		20.09		87,496		88,900		4,200		432	
1934:		18,413		19.99		92,111		93,500		5,000		568	
1935:		19,443		19.89		96,767		99,500		7,100		596	
1936:		20,953		19.79		105,877		108,050		9,900		749	
1937:		22,859		19.69		116,094		117,400		8,800		1,162	
1938:		24,354		19.59		124,318		125,400		7,200		1,571	
1939:		25,556		19.49		131,123		131,500		5,000		1,810	
1940:		26,200		19.39		135,124		135,650		3,300		2,053	
1941:		-		-		-		-		-		-	
1930:		16,837		20.39		82,570		82,825		2,150		707	
1931:		17,096		20.29		84,253		84,445		1,090		495	
1932:		17,173		20.19		85,056		85,895		1,810		503	
1933:		17,578		20.09		87,496		88,900		4,200		432	
1934:		18,413		19.99		92,111		93,500		5,000		568	
1935:		19,443		19.89		96,767		99,500		7,100		596	
1936:		20,953		19.79		105,877		108,050		9,900		749	
1937:		22,859		19.69		116,094		117,400		8,800		1,162	
1938:		24,354		19.59		124,318		125,400		7,200		1,571	
1939:		25,556		19.49		131,123		131,500		5,000		1,810	
1940:		26,200		19.39		135,124		135,650		3,300		2,053	
1941:		-		-		-		-		-		-	
1930:		16,837		20.39		82,570		82,825		2,150		707	
1931:		17,096		20.29		84,253		84,445		1,090		495	
1932:		17,173		20.19		85,056		85,895		1,810		503	
1933:		17,578		20.09		87,496		88,900		4,200		432	
1934:		18,413		19.99		92,111		93,500		5,000		568	
1935:		19,443		19.89		96,767		99,500		7,100		596	
1936:		20,953		19.79		105,877		108,050		9,900		749	
1937:		22,859		19.69		116,094		117,400		8,800		1,162	
1938:		24,354		19.59		124,318		125,400		7,200		1,571	
1939:		25,556		19.49		131,123		131,500		5,000		1,810	
1940:		26,200		19.39		135,124		135,650		3,300		2,053	
1941:		-		-		-		-		-		-	

1/ Two-year moving average of combined elementary and high-school average daily attendance.

2/ Actual census figure.

3/ Read from plotted curve.

4/ January 1 population plus one-half increase during year.

5/ Difference between January 1 and following January 1.

6/ Difference between increase during year and excess of births over deaths.

7/ Net in-migration plus proportional of excess of births over deaths, accumulated each year.

8/ December 31 figure minus one-half population increase during year.

9/ Average numbers of migrants divided by average population.

Table 13.- Intercensal population estimates, Yuba County, Calif.,
1930-40, inclusive.

Year	: Average : daily : attendance : 1/	: Ratio of : A. D. A. : to popu- : lation : Percent	: Estimated : population : as of : April 1 : Number	: Estimated : population : as of : Jan. 1 : Number	: Estimated : population : as of : Jan. 1 : Number	: Average : Increase : during : year : Number
1930	: 1,897	: 16.74	: 4/ 11,331	: 11,210	: 11,465	: 510
1931	: 1,994	: 16.77	: 11,887	: 11,720	: 11,935	: 430
1932	: 2,056	: 16.81	: 12,233	: 12,150	: 12,305	: 310
1933	: 2,107	: 16.84	: 12,513	: 12,460	: 12,605	: 290
1934	: 2,162	: 16.87	: 12,814	: 12,750	: 12,865	: 230
1935	: 2,205	: 16.91	: 13,043	: 12,980	: 13,050	: 140
1936	: 2,228	: 16.94	: 13,152	: 13,120	: 13,295	: 350
1937	: 2,302	: 16.97	: 13,562	: 13,470	: 13,905	: 870
1938	: 2,488	: 17.01	: 14,628	: 14,340	: 14,970	: 1,260
1939	: 2,716	: 17.04	: 15,936	: 15,600	: 16,175	: 1,150
1940	: 2,907	: 17.07	: 4/ 17,034	: 16,750	: 17,225	: 950
1941	: -	: -	: -	: 17,700	: -	: -

1/ 2-year moving average of combined elementary and high school average daily attendance figures.

2/ Read from plotted curve.

3/ January 1 population plus one-half of increase during year.

4/ Actual census figure.

births in the county 6 years previously. Thus the children born in 1924 would normally enter the first grade in 1930; those born in 1925, in 1931, etc. This process of projection results in an estimate of 14,176 children in school in 1940 whose parents were resident in 1930, or a total population in this group of 70,880 in 1940. Subtracting this sum from the total figure of resident and intercounty migrants (88,714 - 70,880) leaves a residual figure of 17,834 as an estimate of the number of intercounty migrants in the 1940 population. It must be borne in mind that these figures are only approximations.

The estimate of the number of interstate migrants in the total population in 1940, based on the findings of the school survey in 1939 for Yuba County, amounts to 4,210, or 25 percent of the 1940 population. It has not been possible to obtain an estimate of the extent of migration to Yuba County of migrants from other counties in the State.

Analysis of Use of Kern General Hospital and
Yuba County Hospital, 1930-40

Kern General Hospital admitted and discharged 81,555 cases, including babies born in the hospital, in the 11 years from 1930 to 1940, inclusive. In the same period, Yuba County Hospital admitted and discharged 7,468 cases. The volume of records involved precluded any case-by-case analysis, but it was possible to obtain yearly samples from which to derive estimates.

The principal interest in the examination of the records centered on the amount of use made of the hospital services by persons of various lengths of residence in the county. Three categories of residence were established as follows: (1) those who were resident January 1, 1930 (residents); (2) those who entered the county from other counties in the State after January 1, 1930 (intercounty migrants); and (3) those who entered the county after January 1, 1930 who came from some other State after January 1, 1930 (interstate migrants). Children born in the county were classified as of the residence status of their parents when this was possible, and when this was not determinable, they were allocated as of the proportion which the various residence groups bore to total hospital use as of a given year. Obstetrical cases were counted only once; that is, the mother was counted but not the newborn child. This was done for two reasons: first, because the use of case numbers rather than names in the sample to preserve anonymity precluded matching mother and child; and secondly, because obstetrical service is the only type of hospital service which involves two persons as the result of one illness.

The sample for Kern General Hospital consisted of 100 cases drawn from the discharge records 6/ for each year from 1930 to 1940, inclusive, or 1,100 cases in all. In Yuba County all cases were used for 1929-30, 50 percent of the cases for 1934-35, and 20 percent of the cases for 1939-40.

The year-to-year changes shown in tables 14, 15, and 16 and figure 5 reflect certain local as well as general economic conditions. The increase after 1930 in total use up to 1933 reflects the increasing demand for tax-supported medical care accompanying the depression. The drop in 1934 is a reflection of an attempt to curtail the services of the hospital to the citizens of the county by court action instituted by the organized medical profession. The decrease in resident use in 1938 reflects the pressure of interstate migrants on the services, and the rise in resident use in 1939 reflects the relieving of this pressure as a result of the inauguration by the Farm Security Administration of its Agricultural Workers' Health and Medical program for interstate migrants.

An approximate picture of the rate of use by migrants as contrasted with residents over the 11-year period is shown in figure 6. The rate, rather than the absolute number, is significant because it puts the absolute use on a comparable basis. The "migrant" rate includes both the interstate and intercounty migrants, and the population bases used are the figures from table 12. The rise in total use is also shown. This rise reflects the increasing proportion of use by migrants, and their relatively heavier use, despite the downward trend in their rate of use. As estimates are available for the number of interstate and intercounty migrants and residents in 1940, we may compare these three groups with respect to their use of the hospital for that year. Our estimate of the number of interstate migrants in 1940 is 46,410, and our sample indicates that there were 4,196 cases discharged from the hospital in 1940 who belonged to this category. Dividing 46,410 into 4,196 indicates a rate of 90 cases per 1,000 in this population category. For intercounty migrants we obtain a rate of 112 cases per 1,000 by the same device, and for the 1930 resident population surviving to 1940, a rate of 61 cases per 1,000. Throwing all the cases together gives an average rate of 77 cases per 1,000 population as shown in table 14.

6/ The discharge records of the Kern General Hospital are kept in file books by months. The records staff of the hospital transcribed the material from the case records, giving the number of the case, the length of residence in the county, in the State, and the age, occupation, and income of the patient. Grateful acknowledgment is made to Dr. Joe Smith for permission to draw the sample and assistance in obtaining it. Henry Beye, vital statistician in the Kern General Health Department, was of inestimable aid during the entire study.

Table 14.- Number of cases in Kern General Hospital and relation to population, 1930-40

	: Total cases:		: No. cases	
Year	: Total cases discharged 1/	: Number of newborn babies	: excluding newborn babies 2/	: Average population 3/
	: Number	: Number	: Number	: Number
1930	3,120	225	2,895	82,825
1931	3,472	302	3,170	84,445
1932	5,241	396	4,845	85,895
1933	6,001	464	5,537	88,900
1934	5,992	513	5,479	93,500
1935	6,698	561	6,137	99,500
1936	8,026	684	7,342	108,050
1937	9,695	1,004	8,691	117,400
1938	10,289	1,234	9,055	125,400
1939	11,030	1,193	9,837	131,400
1940	11,991	1,501	10,490	135,650

1/ Difference between serial discharge number January 1 and December 31 each year.

2/ Total cases discharged minus number of newborn babies.

3/ Taken from table 12.

4/ Total cases excluding newborn babies divided by average population, multiplied by 1,000.

Table 15.- Number of cases in Yuba County Hospital, 1930-40,
and relation to population in 1930, 1935, and 1940

Year	Admissions	Number of	Total cases:	Average	No. cases
1/	including	newborn	excluding	population	per 1,000
	births	babies	babies	2/	3/
	Number	Number	Number	Number	Number
1930	215	8	207	11,465	18
1931	343	4/	-	11,935	-
1932	328	4/	-	12,305	-
1933	427	4/	-	12,605	-
1934	620	4/	-	12,865	-
1935	617	23	594	13,050	46
1936	809	4/	-	13,295	-
1937	927	4/	-	13,905	-
1938	884	4/	-	14,970	-
1939	986	4/	-	16,175	-
1940	1,312	131	1,181	17,225	69

1/ Ending June 30.

2/ Taken from table 13.

3/ Total cases excluding newborn babies divided by average population, multiplied by 1,000.

4/ Information not available.

Figure 5 — Number of Cases Discharged from Kern General Hospital, 1930 to 1940, by Residence Status

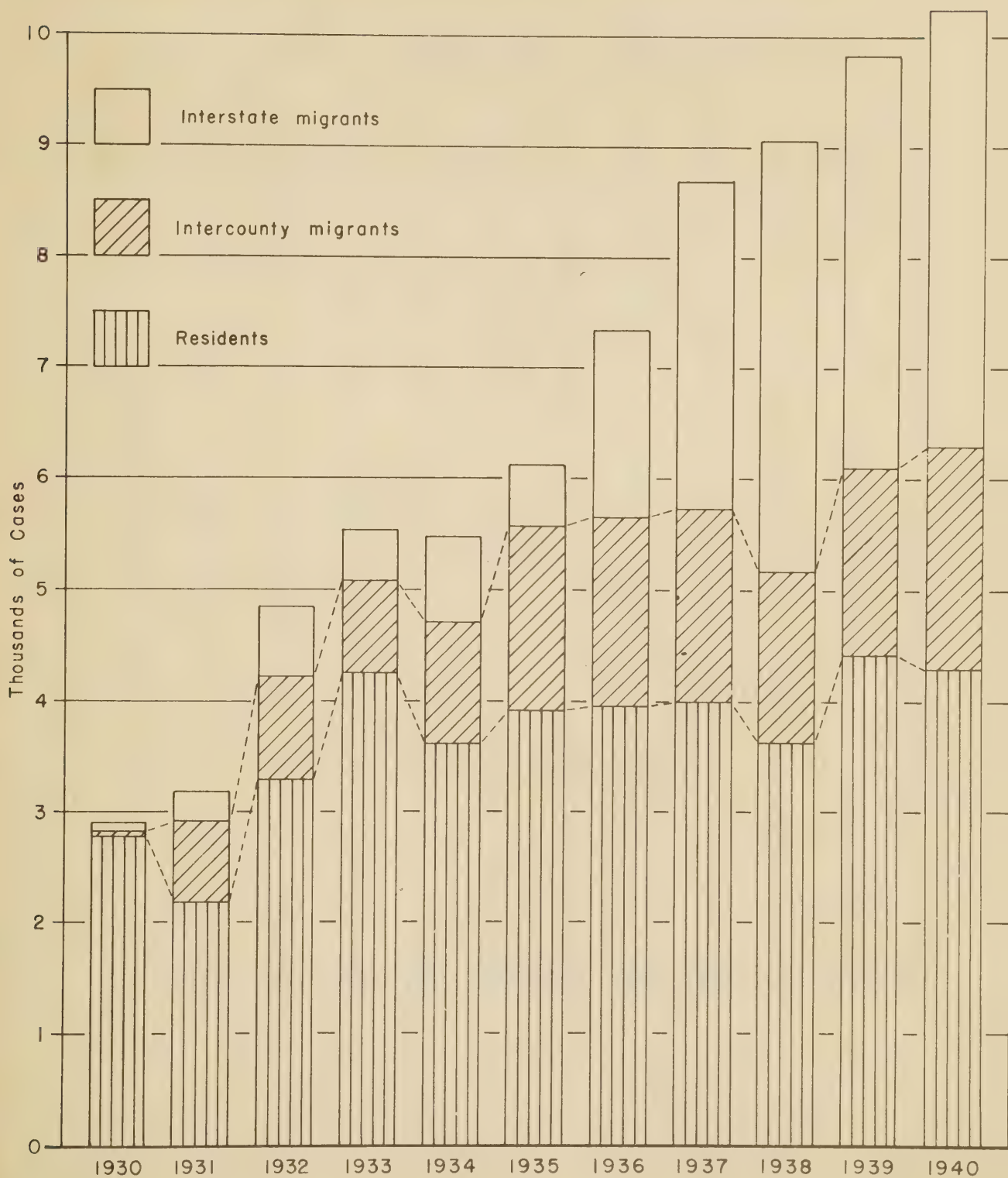


Figure 6 - Hospital Cases per 1000 Population by
Length of Residence, Kern County, 1930 to 1940.

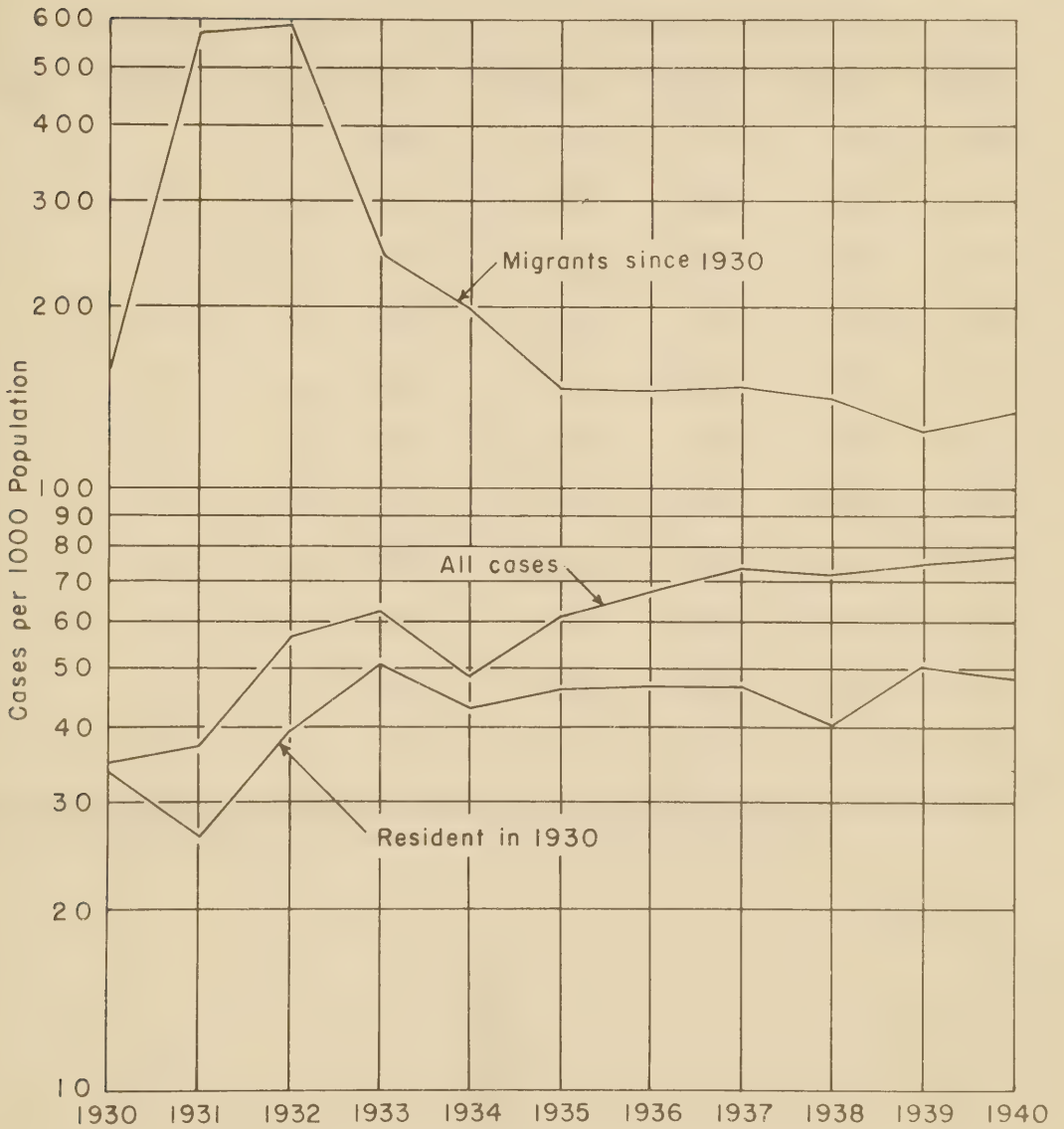


Table 16.- Distribution of cases in Kern General Hospital by residence status, 1930-40

:Composition of sample (percentage):					Estimated distribution of cases <u>1/</u>				
: Year:	: Residents:	: Inter- : county : migrants:	: Inter- : state : migrants:	: Total	::	: Residents:	: Inter- : county : migrants:	: Inter- : state : migrants:	: Total
: 1	: 2	: 3	: 4	: 5	::	: 6	: 7	: 8	: 9
: :	: Percent	: Percent	: Percent	: Pct.	::	: Number	: Number	: Number	: Number
1930:	96	1	3	100	::	2,779	29	87	2,895
1931:	69	23	8	100	::	2,187	729	254	3,170
1932:	68	19	13	100	::	3,295	920	630	4,845
1933:	77	14	9	100	::	4,264	775	498	5,537
1934:	66	20	14	100	::	3,616	1,096	767	5,479
1935:	64	27	9	100	::	3,928	1,657	552	6,137
1936:	54	23	23	100	::	3,966	1,688	1,688	7,342
1937:	46	20	34	100	::	3,998	1,738	2,955	8,691
1938:	40	17	43	100	::	3,623	1,539	3,893	9,055
1939:	45	17	38	100	::	4,427	1,672	3,738	9,837
1940:	41	19	40	100	::	4,301	1,993	4,196	10,490

1/ Derived by applying percentages shown in columns 2, 3, and 4 to column 9.

2/ Taken from table 14, "Total cases excluding newborn babies."

One of the reasons for the higher rate shown for intercounty migrants is that persons involved in automobile accidents on the through-State highways, although they may only have entered the county enroute elsewhere, are counted in the hospital data as intercounty migrants. The population base, however, does not include transients. Another reason is that intercounty migrants who settle in Kern County are less likely to be regarded as nonresidents, and therefore are more readily admitted to the hospital in case of question than is an interstate migrants. The net effect of the way in which the population estimates are arrived at, when they are applied to the hospital-case figures, is to tend to overstate the rate of use by migrants and to understate the use by residents, although probably not to any serious degree.

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